



"H.A. de Grauw"

17/03/2006 14:29

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

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 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 investment in renewable energy should earn a higher level of permitted rate of return;
3. Targets and a time-table of reduction in coal burning should be set;
4. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
5. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I encourage 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,

H.A. de Grauw

***** PS *****

The text of this email is adapted from a draft by Greenpeace. See their website:

<http://www.greenpeace.org/china/en/campaigns/stop-climate-change/impacts/air-pollution/fight-for-a-breath-of-clean-air>

for further details.

H.A. de Grauw



"H.C. Dreyer"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

23/03/2006 18:54

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,

H.C. Dreyer



"SWK Leung"

25/03/2006 19:05

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Consultation on Future of Electricity Market

Urgent Return Receipt

Dear Sirs,

My views are:

1. Prefer return based on average net fixed asset. It is common practice world wide. Not prefer return based on different types of assets. It is complicated, will increase administration costs which will finally borne by taxpayers.
2. For long term investment like power business, 7-11% of return is considered not sufficient to attract investment. 10-year regulatory period with an option to extend for another 5 years is considered not suitable for long term investment in power business.
3. Including costs and permitted return in tariff can ensure enough investment, reduces operation and investment risks.
4. The existing supply in China is already very tight and the reliability there is also very poor. Allowing China electricity to go into Hong Kong network will certainty risk our electricity supply stability.

H.C. Li



"H E Berger"

25/03/2006 18:05

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,

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: _____



"H.F. & A.M. & D.C. van
Delft"

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 16:38

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 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: _____



"Cheung Hoi Hung"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 香港電力市-未來發展第二段的諮詢文件

Urgent Return Receipt

31/03/2006 01:41

敬啟者：

本人反對政府發表 "香港電力市-未來發展第二段的諮詢文件" 部分內容。電是我們生活的基本必需品。

試問我們生活的那一部分不需要電？既然電力與我們息息相關，它的穩定性會密切影響我們的生活質素。

提到電力的穩定性，作為市民的我們，不得不讚香港供電的可靠性！香港維持電力供應可靠度超過99.999%！

比九九九千足純金更勁！比東京、紐約及澳門等更穩定！反觀幾年前，美國、加拿大及意大利等先進國家曾發生大停電，以致股票市-癱瘓、整個國家或城市停頓，極度影響當地經濟、社會運作及引致市民恐慌！

既然香港電力運作現況如此穩定理想，為何不繼續給予兩電適量的自由度繼續努力搞好將來的電力？需知電力發展不是一朝一夕的事，是需要投放大量的資源、長時間及巨額投資，例如興建發電機、奕壓站等。故此，為何不能維持15年或更長的協議年期，反而要減為10年？！10年不是太短嗎？實在令人大惑不解！

而供電是很技術性的，投資者需要投資大量金錢及承擔特定的風險。故以合理的回報率來攤分風險的程度也是常理。

而香港的電費已比其他城市為低！故為何要減低回報率呢？減低回報率是否會令投資者不敢為未來電力投資、興建以改進貼近將來我們的需要？？？那麼，這是否因小失大？！

H.H. Cheung

31 March 2006



"Holly H. Wong"

26/03/2006 17:31

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,

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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: H.H. Wong_____



"H. Ho"

29/03/2006 09:17

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.

Sign: _____



"Jacob Hoare"

24/03/2006 17:51

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: H J Hoare

本人就第二階段諮詢文件內之之建議,有以下的意見:

在新的力供應源事項中,若電力供應來自內地的話,恐怕會危害本供港電的可靠性,原因是廣東省供電情況仍然十分緊張,在未來一段長時間他們對電需求仍將以高速增長,因為全省仍在工業化及都市化,所以時有聽聞電力短缺的事情發生,當一遇到電力緊張的時候,一些工廠就要被迫面對停工停產了.我們能否忍受不可靠,不穩定的電力供應呢?

另外若開放電力網絡供第三者使用,我認為香港的電力市場實在太小,而且在規管接駁電網費用是非常複雜的,所以很難創造有意義的競爭環境.

在加強兩電聯網的建議上,我相信會對電費構成即時壓力,更令人擔心的是聯網真的讓電力更穩定,還是相反呢?因外國一些例子顯示國家電力聯網後電力穩定性比之前沒有聯網還要差.

W. K. Cheng
18-3 CE



Date: 21 March 2006

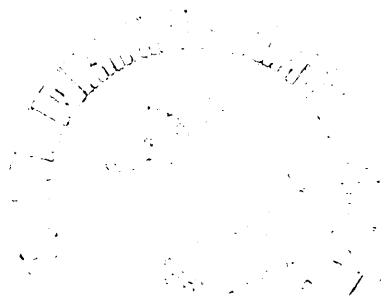
Future Development of Electricity Market in Hong Kong - Stage II Consultation

Hong Kong is a very densely populated city heavily depending on a reliable electricity supply to maintain the life of the HKSAR safely, effectively and economically. Seeing the blackout events in other countries, we are proud of being able to enjoy a high standard of supply reliability. As an electrical engineer by profession, I studied the reports of the overseas blackout incidents occurred in recent years. Among the root causes of blackouts, it could be concluded that there are difficulties to have a good coordination and setting clear responsibilities among various utilities on planning and operation of the power systems in a de-regulated market to ensure electricity supply reliability. Furthermore, because of the complexity on setting up and operating de-regulated markets that required additional resources, there is no concrete evidence that de-regulation would bring us benefit of tariff reduction. Therefore I support that the existing regulatory instrument should continue of having a bilateral agreement between the Government and each of the power companies.

Because of the long-term investment nature of the electricity industry, the duration of the agreement should be long enough and rate of return should also be attractive to ensure adequate and promptly investment. I suggest keeping a return rate of 13.5% with 15 years agreement.

To better protect the environment, I support the consultation paper's promotion of the use of RE. Given that REs require huge areas and their electricity output would depend on the prevailing weather conditions such as solar intensity and wind speed, government should explain to the public the RE's supply reliability, generation capacity/land/costs required comparing to conventional generation. It would give a clearer picture to the public on how much energy that possibly could come from REs and how much cost we have to pay.

H.K. Wong





shimi shimi

29/03/2006 22:14

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Comments about new electrical scheme of control

Urgent Return Receipt

Dear Sirs,
My comment is attached.
Thank you ,
H. K. Yau



ConsultationStage2.doc

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

29 March 2006

Dear Sir,

I have read the Stage 2 Consultation Paper and feel that the new scheme of control should consider the following points:

Supply from the Mainland

The reliability and safety of Hong Kong's electricity have been very good so far. On the contrary, the Guangdong is not having enough electricity for their own use and the reliability of their system is low. We must not rely on the Mainland for supply at the risk of degrading the existing standard.

New supply sources

The two power companies in Hong Kong are now fully responsible for supplying stable and sufficient electric power for our use. Electricity generation requires heavy investment not only in building the infrastructure but also in plant maintenance and upgrading. The Hong Kong market is too small to support new access to the grid. The third party is bound to be inefficient and unreliable due to limited size. We must avoid getting into a chaotic situation where responsibility is unclear and the reliability of the electric supply system become uncertain.

Economic regulation

I am afraid that the 10 years regulatory period will scare away investors. It is far too short for investment in electricity industry that is known for slow return. Lack of timely investment will directly affect reliability of machines and equipment and eventually reliability and safety of the electricity supply system. It should be at least 15 years and even longer in order to be attractive to investors.

Sincerely yours,

H. K. Yau



"henri Kirsten"

27/03/2006 09:39

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: _h kirsten_____



"Hazel"

30/03/2006 14:09

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: [Possible SPAM] 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 am Breathless in Hong Kong AND Sleepless in Hong Kong as a result of aggravated asthma. PLEASE do something.

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

Sign: H Kocherla



"h.l. chan"

17/03/2006 17:57

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 政府必需加強對電力公司的監管

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

h.l. chan



"H L Wu"

28/03/2006 09:04

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,

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

Sign: _____



"Herman Chan"

03/03/2006 14:22

To: electricitycommentstage2@edlb.gov.hk

cc:

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

Urgent Return Receipt

Dear Sirs,

In response to the Stage I Consultation and current government attitude towards the development of the electricity market, I would like to make the following comments:

1. The proposed return for emission reduction assets are too low.

Environmental protection should be our uttermost concern and every Hong Kong resident should be held responsible. Therefore, we should encourage power companies to lower emissions by giving incentives.

2. Hong Kong government is not ready for opening up the electricity market at this stage.

The SAR government needs to define the ultimate target and develop a roadmap before opening up the market

3. Duration of the SoC should not be shortened.

Sincerely,
H.M.Chan



Terrence Lee

13/03/2006 23:56

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Response to Stage 2 Consultation

Urgent Return Receipt

Dear Sir / Madam,

The Government should consider the following while setting the way forward for future electricity market:

1. Offer reasonable incentives to power companies so that they can invest more on emission reduction equipment. This will help to improve air quality in Hong Kong.

2. Energy business is relatively capital intensive. Clear long term policy should be set for the power companies to plan forward. In addition, a 15-year agreement is not unreasonable for such business in nature.

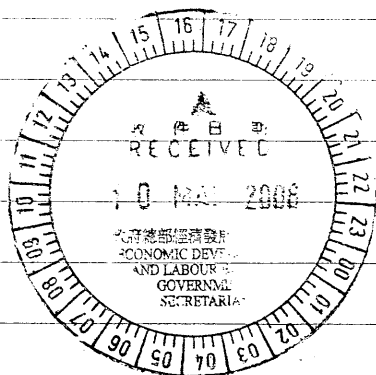
Regards,
H P Lee

葉局長

我反對引入外來經營者加入市場

我反對規管年期過短

因其資產壽命往往長達三十年以上
建議考慮是否是足夠投資
但風險卻大增



H.S. Ho

7-3-06



"Helena Slot-Mencer"

25/03/2006 10:58

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: _____H. Slot-Mencer_____



"Prof. H. Tideman"

28/03/2006 14:22

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Sign: _HTideman_____



H W Cheng

29/03/2006 23:58

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.

H W Cheng

我對香港電力市場諮詢近期的回應：

我反對這個不清晰的市場政策：

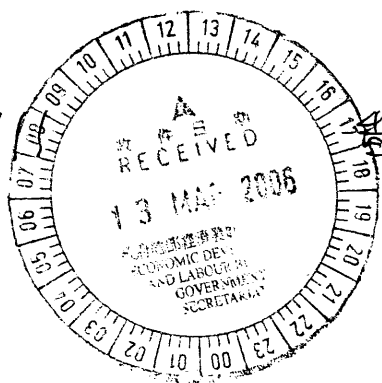
- ~ 新加入查的服務承諾還未制定，更對現有的服務提供查本用戶提出開放市場，根本沒有計劃可言。
- ~ 政府處事有頭有尾，往往使受查者叫苦連天才認真處理，更讓市民大眾使成爲驚弓之鳥。

我反對這個不清不白的環境保障排：

- ~ 實際和理想是有有實距離，政府讓尊市民，不把事實導出，只是做出一個環境形像，但查實上要知道一個供電穩定的城市是要有一個有責任的政府，因查原美國大定電事件，查使人有黑點埋。
- ~ 沒有免費午餐，環保要支出，支出要收入，收入要加價，查其利是見其害，市民大眾又要受苦了。

~ 當市民受驚的時候，政府是要作出適當的行動以減低震盪，但這回電力風波，政府反而助長惶恐氣氛，把電力事情看成政治工具，查使人氣憤難平!!!

穩定 Here!!!



香港市民 H Y CHUNG

3月3日 二零零陸年



"Tam Ho Yee"

24/03/2006 15:37

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: ___H.Y.Tam_____

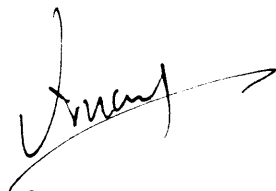
9 March 2006

Economic Development and Labour Bureau
2/F., Central Government Offices,
Main & East Wings, Lower Albert Road,
Central, Hong Kong
Attention: SEDL
Dear Mr. Ip,

Stage 2 Consultation on Future Electricity Market Development

I have been following the news on the captioned subject. I think it is unfair to the power companies to be asked to provide adequate, reliable and safe electricity to HK while depriving them of a fair return, subjecting them to possible competition from Mainland China, a shorter regulatory period and much more stringent control on emissions reduction. What if there is simply not enough financial incentive to the power companies to continue their investment in the power systems? Can we afford a third world country's power system supply?

Yours truly,



HA CHUN WAI





"Ha Shui-yung"

25/03/2006 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勾，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



"Hadeel Kadi"

27/03/2006 14:36

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,

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: _____



"Haily Chan"

31/03/2006 17:02

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

Sign: _____



"HaKwokWing"

18/03/2006 14:12

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

HaKwokWing



"Hamish Low"

28/03/2006 15:12

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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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: _____



"Hamish McNicol"

24/03/2006 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:

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

Sign: _____



"HAMISH EWART"

24/03/2006 10:22

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

Sign:HAMISH WILLIAM EWART_



"Han Yan Yuen"

24/03/2006 00:46

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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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: Han Yan Yuen



"Hanah Paik"

24/03/2006 21:40

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: Hanah Paik

24 March 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

I would like to have the following comments on the regulatory instrument of the Stage II Consultation proposal:

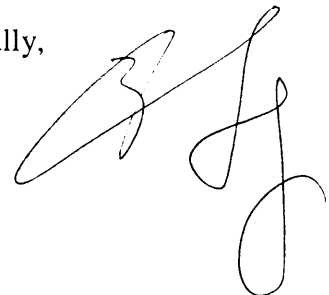
1. Bilateral Agreements

The bilateral agreement arrangement between the Government and each of the power companies to exercise economic regulation is easy to implement and works well in the past. This arrangement is worthwhile to be kept in the future regulatory regime.

2. Duration of the Agreements

I think that a 10-year regulatory period is too short for the electricity industry. Given the long-term investment cycle and contractual commitments of the power industry, such a short regulatory period may increase investment risk and thus decrease the investment incentive of the power companies.

Yours faithfully,



Hang Lo





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

24 March 2006

Dear Sirs

Ref: Stage II Consultation on the Future Development of Hong Kong's Electricity Market

As one of Hong Kong's largest financial institutions, a reliable power supply is crucial to the timely delivery of our core services to customers. We therefore consider it our responsibility to provide our views on your recent paper regarding the above-captioned.

Hong Kong is one of the world's leading financial centres. In part, this reputation is built on an ability to provide a high level of certainty with respect to business regulations, the rule of law and infrastructure reliability, including power supply.

Any move to restructure the electricity market should therefore be reviewed carefully to ensure that it will not have a negative impact on reliability of supply. Moreover, since major changes are likely to bring short-term uncertainty, these should only be contemplated where a significant improvement in service is anticipated.

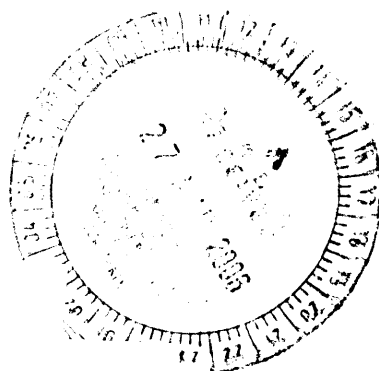
High quality utilities come at a price. Adequate investment is a crucial element in maintaining a reliable electricity supply. A market structure that offers power companies sufficient financial incentive to invest in new infrastructure and technology is appropriate to ensure a secure, reliable service.

Given the capital-intensive nature of electricity infrastructure investment, long-term regulatory certainty will encourage the investment necessary to facilitate the delivery of high quality services.

We trust that the above comments will be helpful in your further consideration of this important matter.

Yours faithfully

Dorothy Sit
Chief Operating Officer





"Hanna Green"

27/03/2006 21:57

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: Hanna Green_____



"Hanna Hartig"

24/03/2006 09:44

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,

Hanna Hartig



"hannah brooks"

26/03/2006 10:57

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.

Sign: hannah brooks



"Hannah Cartwright"

24/03/2006 17:28

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 sky and a breath of clean air.

Sign: _____



"Hannah Foster"

26/03/2006 15:15

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.

Sign: _____



"Hannah Li"

29/03/2006 17:57

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勾，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



"Hannah Michell"

26/03/2006 17:16

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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: _____



"Hannah"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

24/03/2006 13:01

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 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,

Hannah Nealon

Hannah



"Hannah Perry"

28/03/2006 09:52

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: _____



"Hannah Wiggin"

24/03/2006 15:11

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: _____



"Hannes Niggli"

27/03/2006 14:14

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:

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: _hannes niggli_____



"Hanrik Yeung"

24/03/2006 10:11

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: _____



"Hans Cheung"

29/03/2006 12:22

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.

Sign: Hans Cheung



"Hans Salzmann"

03/03/2006 16:31

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Electricity market Hong Kong

Urgent Return Receipt

Hi

I have been to many great cities in the world and am currently enjoying my second time working in Hong Kong.

You have the most reliable electricity supply in the world and I believe at a reasonable cost. Please ensure this continues. In Australia when competition started many people lost their jobs and the companies significantly reduced spending on the infrastructure so hence every year during peak demand they have blackouts. I would hate to see that here especially with your high rise living accommodation.

Regards

hans + chris salzmann



"hans de cuyper"

28/03/2006 20:44

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: hans de cuyper



"Har Wing Yan"

19/03/2006 07:02

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

Har Wing Yan



"Harald Berge"

24/03/2006 15:49

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,

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: Harald Berge

27th March 2006

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,

Views on Electricity Market Future Development - Stage II Consultation

As a hotel manager and operator of seven hotel properties in Hong Kong, we would like to express our opinions on the Stage II Consultation on the Future Development of Electricity Market.

Tourism is one of the pillars of Hong Kong's economy. Since the launching of the Individual Visit Scheme for Mainland residents, tourism industry has been strongly revitalized. In the policy address, Mr Tsang pointed out that the scheme has brought additional tourism receipts of around \$6.5 billion and boosted local retail and job markets. Our hotels have also recorded almost full occupancy in the past two years.

To sustain the growth of tourism and the hotel industry in Hong Kong, we must be able to provide quality services to our customers. The extremely reliable electricity supply we are enjoying is one of the crucial factors to our success. Almost all facilities in our hotels, from hotel systems, TV sets, internet connections to lifts and escalators, need electricity to function. Without electricity supply, we can provide customer almost nothing. We cannot imagine what the consequence would be if we had even one minute of power supply interruption, especially during peak periods like the Mainland Golden Week holidays. Any power interruption will not only affect our hotels' operations, but also tarnish the image of Hong Kong as Asia's world city.

Considering the importance of electricity supply, we do not mind paying a higher premium for a more reliable and certain supply. The present outstanding electricity supply infrastructure is one of our competitive edges over overseas competitors. We do not want to see any supply interruption in future due to insufficient investment in electricity infrastructure.



.../Page 2

Page 2 (Cont'd)

We would therefore urge the Government to ensure that there would be sufficient investment in electricity infrastructure to maintain a highly reliable electricity supply that is vital to our business.

Yours faithfully,

A handwritten signature in black ink, appearing to read "P.C. Koh". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

P.C.Koh
Director

PCK/ik



"Hard Rock Cafe Hong
Kong"

18/03/2006 21:38

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,

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: _____



"haresh mukhi"

27/03/2006 12:35

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: _____



"Hargrave"

27/03/2006 10:26

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.

Sign: _____



"Harjeet Virdee"

27/03/2006 12:10

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:

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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: _____



"Harriet MacPhail"

30/03/2006 14:38

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,

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;
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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: _____



"Harriet Skipworth"

24/03/2006 11:29

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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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: _____



"harrietau"

27/03/2006 14:36

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,

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: _____



suetshing suen

22/02/2006 13:24

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

經濟發展及勞工局

多謝你讓我有提供意見的機會,

我認為對香港市民來說, 穩定的電力供應比較開放電力市場更為重要, 可以交少些電費當然也歡迎.

在未有足夠數據或資料支持開放電力市場前, 不要為開放而開放.

Harry



"Harry Harkins"

24/03/2006 10:07

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,

As a Hong Kong citizen, I am very much concerned about the air pollution. There are factors, like the Pearl River Delta generated pollution, which are probably beyond your control. Factors, such as the pollution induced by vehicles and power generation within Hong Kong, are within your control and I strongly demand the government to enhance control in the market. As a first step 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 beseech the SAR government to bring us back the blue sky and clean air, your city is choking to death.

Sign: Harry



"harry pang"

27/03/2006 11:55

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: __Harry Pang_____



"Harshita Patel"

25/03/2006 01:19

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:

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: _Harshita_____



"harumi ferrier"

31/03/2006 14:07

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,

harumi ferrier



"hayami"

30/03/2006 09:03

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

hayami



"Cheng, Hayes Hee
Cheung"

10/03/2006 17:00

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Consultation on the future development of Electricity Market
 Urgent Return Receipt

Dear Sir/ Madam,

The Government's Consultation Paper Proposals significantly increase regulatory risk, disincentivise environmental investments and reduce shareholder value to a level which is unsustainable to attract long-term investment

The reliability of electricity supply system, reasonable tariffs and strong environmental performance has not happened by chance but by long term investment and commitment. It demonstrates the strengths of a stable, long-term and fair regulatory regime that has steadily evolved over 40 years. The existing system which has served Hong Kong very well in the past and should largely continue.

Environmental disincentives

- Unclear energy policy on issues such as fuel mix
- Environmental improvement investments on coal units are disincentivised with a lower rate of return, inconsistent with the objective to reduce emissions
- Emissions targets can be set unilaterally by Government without reference to practicality

YII Duration of the regime too short

- The Government proposes to reduce the duration of the regime to 10 years, with an option to extend for 5 years
- This fails to recognise the long-term nature of the electricity industry, where asset lives are in the order of 30 years or more
-
- Government proposes to drastically lower the return to between 7% to 11% from 13.5 -15 %. The environmental disincentives, unclear plans for transition to a future competitive market, and shorter duration result in a material increase in risk.

This will disincentive long term investment and compromise reliability.

In short, the existing system which has served Hong Kong very well in the past and should largely continue.

Regards !

Hayes Cheng



"Hayley Massink"

27/03/2006 12:23

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.

Sign: Hayley Massink



HAYLEY WONG

13/03/2006 21:17

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Future Development of the Electricity Market in Hong Kong Stage 2
Consultation

Urgent Return Receipt

Regarding the titled subject, please find my comment as shown below.

In view of extremely high reliability and stability of electricity supply provided by the two power companies, I prefer to maintain the regulatory period of 15 years. As there's no guarantee the new comers can do a better job.

To improve the quality of the service, the power companies are required to invest continuously on capital equipment. A reasonable permitted rate of return similar to the existing one can encourage the power companies to achieve high service standard.

Import electricity from China may not bring any advantages to Hong Kong, as huge investment is required to expand the transmission and distribution facilities and such costs will pass onto customers. In addition, Hong Kong citizens may suffer even worse air quality as a result of excessive emission from power stations in China.

Hayley Wong



"Hayley Dodd"

01/04/2006 00:00

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:

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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: _____HayleyDodd_____



"Hazel Ling"

24/03/2006 18:02

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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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: _____Hazel_____



"Hazel F.Dey"

29/03/2006 17:47

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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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: _____



"Hazel Tong"

29/03/2006 12:06

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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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,

Hazel Tong



"hazel walpole"

23/03/2006 16:57

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 and vehicle emissions including harbour ferries. I am a runner and recently feel that by running in Hong Kong I am actually damaging my health rather than enhancing it. This is a disgusting state of affairs.

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: _Hazel Walpole_____



"haziel torres"

01/04/2006 00:27

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,

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: _haziel torres_____



"HB Chan"

17/03/2006 12:15

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，這是因為據研究資料顯示以燒煤生電乃現時空氣污染主要源頭。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. 加快粵港兩地或整個南中國發展可再生能源的合作，包括訂立區域的風能發展藍圖。

懇請特區政府聯同電力公司能為香港帶來一片藍天，給市民和我們下一代一口清新空氣。

謝謝關注！

HB Chan



"HC Yeung"

28/03/2006 09:40

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: HC Yeung



hauchu yip

06/03/2006 16:49

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

敬啟者：

本人對香港電力市場未來的發展，意見如下：

- 政府建議縮短協議年期至十年,但電力行業是長遠經營的行業,其資產年期是往往超過三十年或以上,此建議未有考慮這些特質。
- 缺乏足夠誘利因數去鼓勵適當的投資，政府建議將回報率大幅減至7%至11%，令股東價值削減30%至50%,對股東承受風險增加及降低投資意欲，影響電力供應的可靠性。
- 政府沒有制定清晰電力市場開放計劃，只是順口開河歡迎新經營者加入市場，此舉會否造成市場混亂，影響電力的可靠性。

HC Yip



"Heather Deayton"

24/03/2006 09:57

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: __HE Deayton_____



"Heady Lee"

25/03/2006 11:41

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Stage II Consultation Paper

Urgent Return Receipt

Dear Sirs,

After reading the Stage II Consultation Paper, I have the following comment.

The proposed change in regulatory period from 15 years to 10 years and permitted return from 13.5% down to 7-11% is unreasonable.

The short period and low return rate will discourage the power companies to invest and upgrade the production and transmission system. Hence, jeopardizing the stability and reliability of the electricity supply in HK which is very very important in HK as an international metropole. By the way, as seen from the 2005 annual results of Hong Kong Electric, although they earn more than 8 billions, their earnings from HK operation has in fact decreased.

On an individual basis, I could not imagine the situation when I have to climb 30-storey to go back home, or even 50-storey to go to office, or no air-condition in hot summer nights, etc.

The proposed 4-tier return rate looks illogical. If 11% on renewables facilities is to encourage the power companies to reserve the environment, how come it is only 7% on emission reduction facilities? I think it is better and simpler to maintain a single return rate. This will save administration cost for the power companies to classify the facilities, and for the Government (i.e. our money) to cross-check their figures.

Regards,
Heady Lee



"Heather Brand"

27/03/2006 13:39

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: _____



"Heather Brown"

27/03/2006 06:39

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: __Heather H Brown_____



"Heather Quinn"

26/03/2006 13:42

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,

Please read and act strongly on the recommendations below. The future health of Hong Kong citizens is of major importance.

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: _____



"Heather Strickland"

25/03/2006 08:24

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: _Heather Strickland_____



"Heather Webber"

24/03/2006 14:18

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

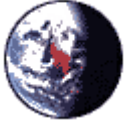
To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly ask 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.

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

Sign: Heather Webber



hebecheng

12/03/2006 11:35

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Future Development in the Electricity Market in HK - Stage II
Consultation

Urgent Return Receipt

My only concern is environmental protection. I have less concern on price. In order to encourage the power company to invest on emission reduction facilities, the permitted rate of return should be the same as that for power generation and transmission equipment. Moreover, penalty should be applied when the power company exceeds the emission limits, but there should be no deduction in the rate of return.

HebeC



"Heenu Nagrani"

28/03/2006 13:19

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:

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: ___Heenu Nagrani_____



"hei"

18/03/2006 18:05

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

hei



"HEIDI"

26/03/2006 21:26

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勾，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



"Heidi Adick"

16/03/2006 22:41

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;
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.

Signed: Heidi Adick



Heidi Adick

30/03/2006 10:26

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.

Heidi Adick



"heidi chan"

24/03/2006 15:42

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:

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: _____



"Heidi Gempel"

27/03/2006 14:54

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: _____



"Heidi Hui"

31/03/2006 11:28

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

Sign: _____



"Heidi Spurrell"

30/03/2006 14:35

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: _____



"Heidi Wong"

22/03/2006 23:20

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：

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勾，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



"Heidi Wong"

28/03/2006 14:21

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, 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: _____



"Heidi Wong"

28/03/2006 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:

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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: ___Heidi Wong_____



"Heidi Yeung"

28/03/2006 22:32

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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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: _____



"Heini Glauser"

17/03/2006 15:41

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

To: Economic Development and Labour Bureau

As a world 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,

Heini Glauser



"Heinz Fischer"

30/03/2006 16:16

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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: _____



"Heinz Oertli"

30/03/2006 09:26

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: _____



Heinz Rust

29/03/2006 23:05

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.

Heinz Rust



"Helen Beale"

28/03/2006 08:09

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: _____



"Helen Bismire"

27/03/2006 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,

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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. I first lived in Hong Kong in 1990 and the pollution is significantly worse now.

Sign: Helen Bismire_____



"Helen Brierley"

24/03/2006 21:47

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: ___Helen Brierley_____



"Helen Chai"

28/03/2006 15:43

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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: _____



"Helen Chan"

27/03/2006 02:08

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: Helen Chan



"helen chan"

25/03/2006 14:55

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: _____



"Helen Chan"

29/03/2006 12:31

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勾，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。

_____Helen_____ (署名) 啟

29 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 Sir,

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

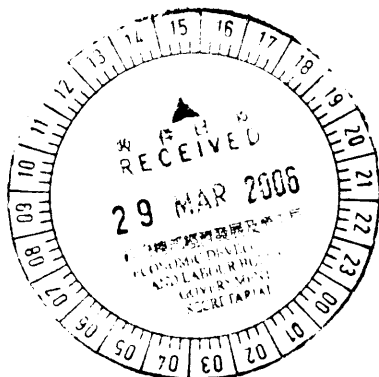
With reference to the above consultation paper launched in December 2005, I am pleased to submit my views as follows:-

1. The proposal on shortening the regulatory period from 15 years to 10 years ignores the long-term nature of the investment cycle and the contractual arrangements committed by the power company. In addition, shortening the regulatory period would create additional risks to the investors and deter necessary investment for adequate and reliable electricity supply.
2. The proposal on reducing HEC's permitted rate of return to 7-11% is too low taking into consideration the rising interest rate as well as the anticipated inflation in Hong Kong. Your proposed rate of return is not attractive enough for continuous investment to maintain a reliable power supply.

In view of the importance of stable and reliable electricity supply in Hong Kong, I urge the Government to maintain the current regulatory arrangements for the post-2008 regulatory regime.

Yours faithfully,


Helen Chan





"Helen Cheng"

29/03/2006 10:24

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;
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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: ____Helen Cheng____



"helen dalley"

23/03/2006 12:50

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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: _____helen dalley_____



"Helen Davidson"

17/03/2006 13:09

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,

Helen Davidson

Helen Davidson



"Helen Deex"

27/03/2006 15:59

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.

Sign: Helen Deex

Economic Development and Labour Bureau
2006

17 March

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

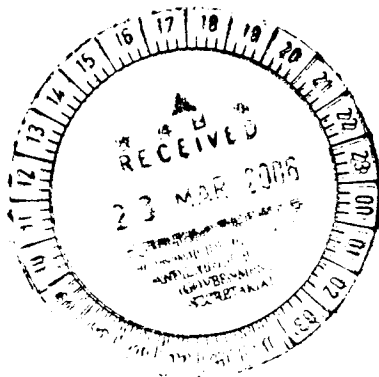
**Stage II Consultation Paper On Future Development
Of The Electricity Market In Hong Kong**

Dear Mr. Ip,

In general, there are some good proposals in your Stage II Consultation Paper, viz, the institutional setup and the fixed assets approach.

However, I have some comments regarding the third party grid access on the Stage II Consultation Paper and you should be more careful with this issue.

- (a) The safety and reliability of electricity supply to consumers are important. With third party grid access, are the lines of responsibility to ensure adequate and reliable electricity supply clear? I think it will blur the responsibility.
- (b) There will be very high set up and ongoing costs for establishing a separate regulatory and operating authority for handling the issues of third party grid access.
- (c) Third party grid access will not ensure adequate and reliable electricity supply. On the contrary, it will endanger certainty of supply.
- (d) With third party access, it is envisaged that the mechanism in regulating the open access pricing will be very complicated.
- (e) It is envisaged that grid access with other new supply sources will be only of small size. To create a meaningful competition in Hong Kong's electricity supply market is therefore impossible.



Yours faithfully,


Helen Fung



"HELEN GRIFFITHS"

27/03/2006 12:48

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.

Signed: Helen Griffiths



"Helen Hanson"

25/03/2006 12:15

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.

Sign: Helen Hanson_____



"helen ho"

24/03/2006 23:05

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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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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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



"Helen Ho"

28/03/2006 16:38

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

Sign: _____



"Helen"

29/03/2006 18:08

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.

Sign: Helen Kimbell



"helen kwok"

28/03/2006 16:13

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: _____



"helen lee chi ching"

25/03/2006 09:24

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: _____



"Helen Leung"

24/03/2006 18:17

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: __HELEN LEUNG__



"Helen Lim"

28/03/2006 11:26

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: Helen Lim



"Helen Lindman"

24/03/2006 17:00

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:

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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: _____



"Helen Norton"

31/03/2006 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:

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

Sign: ___Helen Norton_____



"Helen Pendell"

27/03/2006 07:41

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:

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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: Helen Pendell



"Helen Revans"

23/03/2006 23:45

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: ___Helen Revans_____



"Helen Rigby"

28/03/2006 10:21

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, 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: _____



"Helen & Robert Giss"

25/03/2006 09:18

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: _____



"helen rowley"

30/03/2006 21:50

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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: _____



"Helen Smith"

24/03/2006 14:45

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: Helen Smith_____



"Helen Tortoishell"

28/03/2006 21:59

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 that 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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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: Helen Tortoishell_____

29 March 2006

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

Attn: Mr. Stephen Shu-kwan Ip

Future Development of the Electricity Market in Hong Kong

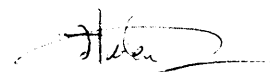
Dear Mr. Ip,

I appreciate the Government's effort in preparing the consultation paper for the future electricity market development. After reading your consultation paper, I am delighted to give my comments on the consultation paper.

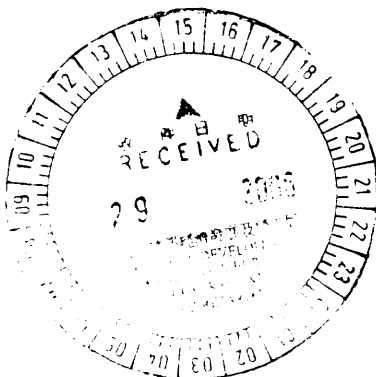
I hope the Government could withdraw the proposal on reducing the rate of return from the present level of 13.5% down to 7-11%. The main reason is that the proposed rate of return is too low to attract adequate investment in the electricity supply industry. Besides, I find that the proposed 10-year regulatory period is also a crucial factor which hinders continuing investment in the industry. I have concerns if the power company would have sufficient incentive for continuous investing in the electricity infrastructure after 2008. If they do not continue to invest, I am sure that the reliability of supply will deteriorate. In my view, the regulatory period should be 15 years while the rate of return should be maintained at 13.5%.

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

Yours faithfully,



Helen Tsoi





"Helen Walker"

28/03/2006 12:36

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,

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.

I have lived and worked in Hong Kong since 1992 and the increase in pollution has been startlingly visible. I am very happily settled in Hong Kong with my family but looking at the pollution steadily getting worse with no Government action is starting to make me think about taking my skills and my family to a cleaner environment and workplace.

Sign: __Helen Walker_____



"Helen Willis"

25/03/2006 17:40

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.

Sign: _____



"Helen Wong"

22/03/2006 10:31

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

Helen Wong



"Helen Wong"

28/03/2006 13:38

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勾，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



"Helen Wong"

24/03/2006 08:44

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.

Sign: Helen Wong



"Helen Wong"

31/03/2006 15:41

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: _____



"Helen Wu"

16/03/2006 01:43

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。

_Helen Wu_____ (署名) 啟



"Helen Wu"

27/03/2006 01:45

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: _____



"Helen Yien"

27/03/2006 16:40

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.

Sign: _____



"Helen Yik"

15/03/2006 20:10

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: _Helen Yik_____



"Helen Yuen"

27/03/2006 14:25

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.

Sign: _Helen_____



Helen Chu

03/03/2006 16:38

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Views

Urgent

Return Receipt

Dear EDLB,

Following are my views on the paper:

1. the plans to migrate to a competitive market is lacking and unclear.

It is quite irresponsible of the govt. to create a situation where speculators use the situation to make financial gain, more than once. Secondly, it actually discredited the government.

A level playing field is the key to success.

Given the experience of other markets such as USA and Australia, de-regulation takes time to plan and implement. we do not want another California state black-out.

the government should learn from lesson gained in other developed countries. And does a competitive market actually benefit us??

2. the environmental/energy policy is unclear.

We all want clear air. however, actually how much of pollution comes from the Pearl delta or from Hong Kong?

The govt. should take time to work out a clear energy policy. Lots of lesson to be learnt from developed countries such as European countries. and most importantly, the alignment with our neighbouring region such as Pearl River delta is the long term solution. should focus on that.

By reducing the rate of return of the power suppliers, and demanding them to meet environmental targets, is this an incentive or disincentives. To enable HK to make a faster step towards clear air, incentives would be more appropriate.

To citizen like us, one of the the first priority for the continuous prosperity of a stable Hong Kong is reliable power supply. We have just slightly recovered from the "depression" Let's do not play around with the image of Hong Kong for short term political gain. which would actually have far reaching detrimental impact.

Regards
Helen



"Helen"

26/03/2006 02:18

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

Sign: _____



"Helen"

21/03/2006 18:06

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

Helen



"Helen"

29/03/2006 19:58

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：

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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。

_____Helen_____ (署名) 啟



"Helena Harrison"

23/03/2006 12:04

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

Just to add to this, I've lived in Hong Kong for 12 years and the deterioration in the pollution is horrifyingly evident every day. I'm loathe to buy an apartment here or house for fear the situation will get worse and we as a family will be forced to leave. I'm not sure what damage is being done to my childrens lungs and would have left before now but felt the positive attributes of Hong Kong outweighed the negative effects of pollution. I'm not so sure now!

Please do something about this before this beautiful land is ruined and we all have to leave.

Sign: Helena Harrison Mother of two children 6 years and 8 years.



"Helena Hoier"

28/03/2006 10:19

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: _____



"helena Mills-Shih"

24/03/2006 16:06

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: _____



"helena tse"

27/03/2006 09:53

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.

I understand the pollution occurs as a result of transmission of polluted
air from Mainland China.

I cordially request the SAR government to take some active measures to
bring us back the blue sky I used to have.

Sign: Helena Tse



"Helena Wong"

27/03/2006 11:08

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: Helena Wong



"Helene Klock"

28/03/2006 16:54

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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Sign: Helene Klock



"Helene Laurens"

25/03/2006 18:55

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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Sign: _____Helene Laurens_____



"Helene Paul"

25/03/2006 10:18

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: __Helene M. Paul_____



"Hemal Mirani"

29/03/2006 10:32

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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Urgent Return Receipt

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Sign: _____

香港中環
下亞厘畢道
中區政府合署中及東座二樓
經濟發展及勞工局局長
葉澍堃先生

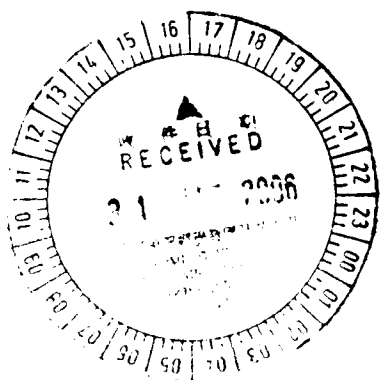
局長先生：

香港電力市場第二階段諮詢

我作為香港市民，知悉政府就上述課題展開第二階段諮詢工作，我想表達以下意見，敬希考慮並採納。

將現時的回報率調低至 7-11%，文件中並沒有交代建議的回報率是如何釐定。這樣做會令投資者卻步，不利維持香港長遠電力供應穩定。

太短的協議年期未能保障投資者，因為誰都知道電力行業投資大，回本期又長，假如政府真的縮短協議年期，那麼准許回報率便需相應提高，以彌補增加了的投資風險。



Hen Wei Chung
二零零六年三月二十八日



"henny"

24/03/2006 12:32

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: _____



"Henrietta Hutchings"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

24/03/2006 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 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,

Henrietta Hutchings



"Henrietta Ma"

26/03/2006 16:09

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,

Borned in HK, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to strengthen the control in the electricity market, in order 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: Henrietta Ma



"Henrietta Summers"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

23/03/2006 17:36

To: Economic Development and Labour Bureau

As a Hong Kong permanent resident, 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,

Henrietta Summers

Henrietta Summers



"Henrietta Wheatman"

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 15:09

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: _____



"Henriette van
Roosmalen"

26/03/2006 22:02

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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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.

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

Sign: _____



"mak nicole"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Profit scheme for Electricity Companies (Consultation Paper II)

Urgent Return Receipt

31/03/2006 23:57

Economic Service Development & Labour Council,

I have the following comments on the consultation paper II :

1) I would emphasize that the **reliability of electricity supply is of prime importance of all**. I would support a reasonable cost per unit of electricity consumed in order to maintain a high reliability service which is now currently attaining at an acceptable cost.

2) It follows if there is any drop in the reliability, I, as the customer, may suffer losses in respect of individual entertainment, health & financial losses from the drop in sales attributable to the potential unstable supply of electricity. In case of any delay in production/manufacturing schedule of services / goods arising from unstable supply of electricity leading to unfulfillment of contractual obligation, I shall suffer the potential damage to be claimed by the other contractual parties.

3) I believe there must be drop in reliability if there is a drop in permitted return to the Power Company. If I am the investor of the Power Company, I do insist a reasonable return & payback. For me, as a customer, it is acceptable for me to pay the current cost for a unit of electricity consumed in return for a high reliable service.

4) I understand that the serious cause of actions to improve the environmental issues may incur costs. Since it is vital to get rid of the environmental concerns, I would support to pay at a higher /reasonable price then now in return for a fresh breath of air, pure water for drinking and good scenery of green trees.....etc. A good environment for living is good for health, making everyone relax and leading to less social issues for attention by the public/government.

At the end, pls keep the current profit margin to the Power Companies so that the HK customers can continue to enjoy high quality & reliability of electricity supply which is vital for the future economic development of Hong Kong. Pls negotiate with the Power Companies for the benefit of individuals & future economics as suggested above.

Thanks
Henry



CP Chan

20/03/2006 11:31

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Views on stage II consultation paper
 Urgent Return Receipt



Views on stage II consultation paper.doc

After reading the stage II consultation paper, I would like to express my views as follows:

1. Hong Kong is densely populated and is one of the most modern cities in the world. Reliability is utmost important and should not be compromised with the short-term benefit due to tariff reduction.
2. Previously, the rate of return (ROR) is 13.5% and regulatory period is 15 years. The intention is to allow the investors to have sufficient time and profit margin to earn back the capital. If ROR is now proposed to be reduced to 7-11%, on equal basis consideration, the regulatory period should be increased to at least 20 years rather than further reduced to 10 years.
3. The long term US government bond rate is about 4.7% and may be increasing. If the ROR is reduced to 7%, the profit margin is only 2% which is considered too low when compared with such a huge investment of billion dollars, very long payback period and the associated risks involved. This will certainly discourage investment and ultimately reliability will be jeopardized.
4. In conclusion, I am of the view to keep the current ROR and regulatory period. If the majorities insist to reduce the ROR, it should rather be linked to economic indicators or cost of raising capitals instead of just rolling out a simple figure 7-11% without justification. Also, in conjunction with reduced ROR, the regulatory period should be correspondingly increased.

Henry Chan
21/3/2006



"Henry Cheung"

25/03/2006 09:12

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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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: _____



"Henry Chiu"

18/03/2006 16:10

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

Henry Chiu



"H.M.M. Chu"

06/03/2006 23:30

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Comment RE: Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

Dear Sir,

Attached please find my comments on the Stage II Consultation Paper on the Future Development of the Electricity Market in HK for your reference.

Regards,



Henry Chu 2nd Cosultation Paper - Henry.doc

Economic Development and Labour Bureau
Email: electricitycommentstage2@edlb.gov.hk

7th March 2006

Dear Government Officials,

Comment Re: Stage II Consultation on Future Development of the Electricity Market in HK

I would like to give my comments on the proposed new features in the future Bilateral Agreement.

After reading the 3 points described in the Consultation Paper section 2.40, I've a feeling that the Government is actually running the power companies. There is no difference to the case as if the Government is sitting in the Board of the power companies, exerting influence into the management and operations of these companies.

(a) All development plans relating to electricity supply to be approved by the Government

Since this proposal requires 'all development plans', this means that there is no different in treatment between multi-billion dollars development plan and just a few hundred-thousand improvement projects. The power companies really would have no control over their investment plan – no matter big or small. I think this is just creating bureaucratic.

I think it is better to set a threshold amount below which no Government approval is required. This will give flexibility and incentives for the power companies to invest.

(b) Permitted rate of returns to be adjusted every 5 years

No sensible investor will invest high capital in such an uncertain business environment. The tendency is that power companies will only do investment if the pay-back is 5 years or less. No major upgrade or improvement will be done because the pay-back will be longer than 5 years, hence the returns is not certain. This would really impact on the quality and stability of the power supply. To make more business and economic sense, the permitted rate of returns should only be adjusted at the end of the Agreement.

(c) All tariff adjustments to be approved by the Government

The current scheme in managing tariff adjustment has been operating fine for many years and has proved to be working. The change in tariff can only occurs if certain triggering events are met. Hence to manage the tariff, it is best to manage the triggering events, rather than having to

Henry Chu

get approval from the Government every year. Again, this is another sign of the Government influencing business operations which is less than preferred.

Suggest that all these 3 points be reverted back to the current arrangement.

Regards,
Henry Chu



"Henry Chu"

24/03/2006 11:27

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,

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: _____



"Henry Chua"

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

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: _____



"Henry Hung"

28/03/2006 11:46

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勾，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



"Henry Hyung Kon Su"

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 01:24

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: _____



"Henry Lam"

30/03/2006 14:41

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 young Hong Kong citizen and a father, 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: ___Henry Lam_____



"Henry Leung"

24/03/2006 12:52

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:

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

Sign: _____



Henry

30/03/2006 18:34

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Comment on the Future Development of the Electricity Market in
HK-Stage II Consultation

Urgent Return Receipt

Dear Sir

Regarding to the open market issue for the electricity supply industry, there was no clear direction indicated in the consultation paper. I would have query that the open market really bring a lower electricity charges to HK citizen. It is not the real case for some of overseas countries. In modern city, steady and reliable electricity supply is an essential needs for modern people. Without such reliable supply, it will certainly affect our daily life as well as financial loss. Now, I would express the satisfactory performance on the electricity supply in HK and hope no drastic change in near future.

Thank you.

Regards/Henry MF Chan



"Henry Musto"

31/03/2006 20:45

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

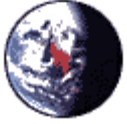
To Economic Development and Labour Bureau,

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

Sign: _____



"Henry Rawson"

20/03/2006 10:12

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 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,

Henry Rawson



28/03/2006 09:20

To: electricitycommentstage2@edlb.gov.hk
CC:
Subject: Web Enquiry

realname: Henry Shek

subject: 香港電力市場的未來發展第二階段諮詢

Enquiry: 現行的「利潤管制協議」只規範兩電的「資產回報率」，
而不是其「實質回報率」，兩電依然可透過增加資產來要求增加電費，故電費仍難下調。

引入競爭才是長遠治本之法，誠如電訊業的情況一樣，開放市場不但有效改善服務，更促進就業和市場發展！

開放市場係最好。

獨市生意當然要求多多，甚麼利潤太低，
甚麼供電不穩定，威逼政府，恐嚇市民，盡快開放市場。

應該把電費稍減，順應市民。



Henry Tang

31/03/2006 22:04

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.

Henry Tang



"Henry Tang"

17/03/2006 14:29

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

Henry Tang



"Henry Tang"

22/03/2006 20:02

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：

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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

Henry Tang



"henry willmington"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

24/03/2006 17:41

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 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,

henry willmington



"Henry Wong"

23/03/2006 17:34

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;
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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: _____Henry wong_____



"HenryYau

07/03/2006 13:37

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Comments to the contract renewal of Electricity Supplier

Urgent Return Receipt

Dear Madams / Sirs,

I wish to air my view on the electricity energy supply of HK.

1. Investors need good return

While every user of public utility want to have cheap rates, we need to incentivise the supplier/investors. Without an above market return, it is difficult to attract major investments.

I am an active member of the investment field. I currently invest in various real estate deals in the greater China area. If we limit the return to 7% or 11%, I cannot invest in HK electricity. Other investments I am considering are all yielding 15% or more. It is up to the government to direct the investments to the most essential projects. Good returns will help procure funding.

HK prides itself to have the most reliable electricity supply capacity and network in the world. That is what makes HK prosper. If we compromise that, we may put the entire HK future in jeopardy.

2. The whole world needs electricity

Needless to say, energy is a hot topic on the top of the agenda of each and every government. Electricity is the only promised clean and renewable energy source. Fuel cells, electricity powered cars, electric powered living etc. all need electricity. If we limit the investment return, we are risking the capital starvation and HK will have few options in the future.

The rise and shakyness of fossil fuel is evident, I am sure many other writers pointed to that so I need not repeat.

3. Good intention regulation made disaster in other countries

We can plainly see that the effort for California to regulate the electricity industry resulted in complete chaos. And governmental decision today affects many years to come. If we make simple minded decision to limit returns today, we will one day see too little capacity and low flexibilities. The cost to the society is enormous. I experienced power outage (planned and unplanned) in China many times. Believe me, if the price to pay is a few percents more on my electricity bill, I will gladly pay if service interruption, brown out etc. can be eliminated.

Furthermore, if we restrict the return on environmental protection, we will waste away our planet. Therefore I think the proper thing to do is to lift the restriction and encourage additional investments in environmental protection.

4. Competition from other governments are coming in full force

A week ago, I had a discussion with the Chairperson of People's consultative committee in Shenzhen (she happens to be also a part-time professor from People's University, the think tank of government policies) , they are going full force in building electricity capacity, like stage 2 of the Nuclear plant that supplies HK. During the same discussion, the chief engineer of the Southern (China) Electricity Distribution Network also voiced that they are building super high voltage lines across GunagDong and South China. If HK slows down or stops here, the Chinese cities will soon overtake us. HK cannot afford to lose its competitive edge.

In summary, I want you to consider my view points and allow for unhindered development of superior electricity networks and supply in HK.

I can be reached by reply email or calls.

Regards,

Henry Yau

Tax payer, HK ID

MBA (U.of Chicago, 1981), Doctor of Jurisprudence (DePaul University, 1988), CPA

Doctoral student of Renmin University (China) [Intended Thesis on governmental policy on price regulation]



"Henry Yip"

16/03/2006 15:31

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) 啟



Hera Lai

31/03/2006 16:24

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.

Hera Lai



"Herbert Chan"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

24/03/2006 15:44

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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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 faithfully,

Herbert Chan

Herbert Chan



"Herman"

28/03/2006 17:42

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：

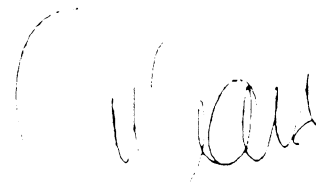
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2. 可再生能源的投資可享有較高的准許回報率；
3. 我們支持發展可再生能源，但反對把焚化爐 -- 會產生溫室氣體 -- 視作可再生能源；
4. 節約能源是最直接、最根本的方法，是一道可以有效避免浪費和減少污染的良方，政府必須訂定整體而清晰的節能目標；
5. 積極研究設立能源管理局，製訂整全的能源政策，並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合；
6. 加快粵港兩地發展可再生能源的合作，包括訂立區域的風能發展藍圖。

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。

_____ (署名) 啟

我是香港島的居民，已住了四十多年。對港燈的輸電情況十分滿意，穩定可靠及安全。至於電費方面，當然比中電貴，唯美中不足之處。但視乎現時環境，政府的政策是最關鍵之主，究竟未來的能源政策如何呢？燒煤，天然氣，風力或再生能源的方針，希望能有清晰的指引，而令到港燈有所發展藍圖大計以減低成本，使港島居民受益。

雖知過百億元的投資項目，不能只有短短十年的規範而令到投資者的卻步，這是不公平的。而且港燈已運作一百五十年，以他們的專業及投放，誰可代替的。如由另一新財團去做，我們必承受一定的風險，而且便宜莫貪，到時再找回港燈，它也未必再有興趣了。最終只有我們市民受苦，三思三思。



Mrs. Herman Chan



"Herman Ho"

31/03/2006 01:14

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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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: _____



"Herman Ng"

23/03/2006 15:10

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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

Sign: Herman Ng



"Herman Tsui"

15/03/2006 18:41

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。

_____ (署名) 啟



"Herman Wong"

18/03/2006 11:42

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：

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祝好

Herman Wong

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

Dear Mr. Ip,

Stage 2 Consultation on the Electricity Market Development

With reference to the captioned subject, I would like to submit my comments on some of your proposals.

I am concerned that your following proposed features would not be effective in ensuring an adequate and reliable electricity supply in the post-2008 regulatory regime:

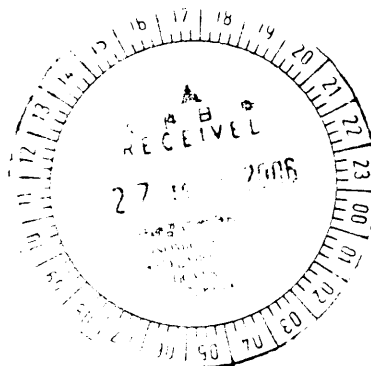
- a regulatory regime shortened from 15 years to 10 years
- 4 different permitted rate of return ranging from 7% to 11% for different asset classes

These two proposals will both lower the incentive for investors to invest in long-term capital-intensive power supply industry and will thereby result in deterioration in the electricity supply services. While they may provide electricity users a slightly lower electricity tariff, they also increase the risks of power shortages and blackouts. Given the vital importance of electricity to Hong Kong, I don't think it is prudent for the Government to adopt these 2 proposals in formulating the regulatory framework for the electricity market after 2008.

Yours sincerely,



21 Mar 06.
Herry Lau





"BOUVRESSE HERVE"

23/03/2006 16:50

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

Urgent Return Receipt

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: HERVE BOUVRESSE_____



"Heshin Kim"

22/03/2006 09:59

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:

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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,

Heshin Kim



"Hester Grisel"

24/03/2006 16:46

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:

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: _____



Hester Leung

31/03/2006 10:07

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.

Hester Leung



"Heung Kwan Fong"

27/03/2006 15:33

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: _____



"Heven KWAN"

27/03/2006 21:39

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.

Sign: _____



30/03/2006 23:01

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Views on future development of the electricity market in hon kong stage II consu

Urgent Return Receipt

To whom it may concern,

I, as a Hong Kong citizen & a registered Electrical professional, would like to take this opportunity to share my views on Stage II consultation Paper.

Firstly, I have reservation on asset classification which would increase administrative cost. At Last, those costs would be passed indirectly to customers. On the other hand, low permitted rate of return on those assets which improve the environmental impact. It would further discourage investment on improving air quality of Hong Kong in the future.

Secondly, Investment on generation & transmission facilities is enormous and it requires a long paid back period about 30 years and long supply contract to stabilize electricity price. I think that 10-year regulatory period has not enough incentive to investors for such huge investment. Base on the reason mentioned above, existing 15-year regulatory period is quite reasonable to investors of Power Company.

Thirdly, the permitted rate of return on fixed asset should be kept at a reasonable level. It not only encourages existing investors of Power Company to improve the transmission & distribution facilities to maintain a reliable & good quality supply in the future, but also encourages new investor entering into the electricity market in the future.

Finally, Existing Tariff Adjustment Mechanism is good approach to evaluate the electricity price to ensure Power Company can recover their costs and has reasonable return in order to provide good service and good quality of supply in Hong Kong.

Best regards

HF Lau (Tony)



hifilau

29/03/2006 23:47

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Views on future development of the electricity market in hon kong stage II consultation

Urgent Return Receipt

To whom it may concern,

I, as a Hong Kong citizen & a registered Electrical professional, would like to take this opportunity to share my views on Stage II consultation Paper.

Firstly, I have reservation on asset classification which would increase administrative cost. At Last, those costs would be passed indirectly to customers. On the other hand, low permitted rate of return on those assets which improve the environmental impact. It would further discourage investment on improving air quality of Hong Kong in the future.

Secondly, Investment on generation & transmission facilities is enormous and it requires a long paid back period about 30 years and long supply contract to stabilize electricity price. I think that 10-year regulatory period has not enough incentive to investors for such huge investment. Base on the reason mentioned above, existing 15-year regulatory period is quite reasonable to investors of Power Company.

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Finally, Existing Tariff Adjustment Mechanism is good approach to evaluate the electricity price to ensure Power Company can recover their costs and has reasonable return in order to provide good service and good quality of supply in Hong Kong.

Best regards

HF Lau (Tony)



"Hilde Gunn Vestad"

24/03/2006 14:48

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: __HGV_____



"Hidi Kwok"

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

29/03/2006 17:49

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勾，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



"Hidy"

19/03/2006 08:40

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

Hidy



"Chan Ming Yan"

24/03/2006 16:56

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；
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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。

__Hidy Chan_____ (署名) 啟



"Hilary Binks"

23/03/2006 08:54

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,

Hilary Binks

Hilary Binks



"Hilary Davies"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

24/03/2006 07:05

To: Economic Development and Labour Bureau

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I look forward to hearing from you.

Yours sincerely,

Hilary Davies



"Hilda"

30/03/2006 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

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

Sign: Hilda



"Hilda Chan"

28/03/2006 10:10

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

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

Sign: __Hilda Chan_____



"Hilda Chan"

27/03/2006 16:27

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

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

Sign: _____



"Hilda Lai"

24/03/2006 12:09

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.

Sign: _____



"Hilda Wong"

16/03/2006 18:20

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，

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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



"Hillary Sandeen"

23/03/2006 15:03

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

Sign: _____



"hillman lai"

25/03/2006 10:58

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.

Sign: Hillman



"Hinda Dillon"

27/03/2006 19:17

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: _Hinda Dillon_____



興盛文具有限公司
HING SHING STATIONERY LIMITED

香港鴨脷洲利興街10號港灣工貿中心10字樓1009室
Flat 1009, 10/F., Harbour Industrial Centre, 10, Lee Hing Street,
Apleichau, Hong Kong.

Telephone:
2555 9666, 2555 8448

Fax: 2814 7897

Hong Kong, *Mar 06*

香港中環
下亞厘畢道
中區政府合署中及東座二樓
經濟發展及勞工局

葉澍堃局長：

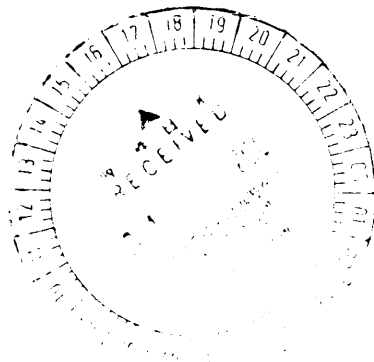
香港電力市場第二階段諮詢

我們是一間國際文具公司，可靠穩定的電力供應對我們公司的運作十分重要。得悉政府為香港電力市場未來發展進行諮詢，故特提出以下意見。

電力基建投資龐大，而回本期長達三、四十年。政府建議將規管協議期限由現時的十五年縮短至十年，只會增加投資者的風險，難以保障投資者的利益。再者，政府更建議將准許回報率由現時的13.5%大幅調低至7-11%。但這過低的回報率不可能吸引投資者繼續投資於電力行業，勢將引致電力設施投資不足，因而嚴重影響供電穩定性，危及我們的日常商業運作。

我們希望政府能夠與兩間電力公司商討一個完善的規管方案，使現時穩定可靠的電力供應得以維持。

希望貴局能夠參考及採納以上意見。





"Hiu Yi"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

Urgent Return Receipt

30/03/2006 09:02

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

Hiu Yi



"hjanelle"

30/03/2006 13:51

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.

Sign: _____



03/03/2006 15:51

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Agree to adopt existing Scheme of Control Agreement

Urgent Return Receipt

本人贊成沿用以往的利潤管制法則。

Scheme of control agreement should be extended. We can't afford the risk of blackout in this city.

HK citizen



"Mr.Mak"

23/03/2006 09:12

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,

Please do something or we die together !!!

HK Citizen

To: MR STEPHEN YIP / EDLB
OF HK GOVT. 31th MAR 2014, 06

FROM: HK CITIZEN

KEEP 13.5 RETURN ON SOC CONTROL AGREEMENT

DEAR MR YIP

I AM A SMALL BUSINESS-
MAN, I WOULD LIKE TO INFORM YOU

THAT I AM STRONGLY OPPOSED HK
GOVT TO LOWER DOWN RETURN FROM
13.5% TO 11% OF SCHEME OF
SOC CONTROL AGREEMENT APPLIED IN CLP & HKE

AFTER 2008.

I UNDERSTAND 13.5% AGREEMENT
BETWEEN THE ELECTRICITY COMPANIES & HK
GOVT. & ELECTRICITY STABILITY IS TOP PRIORITY
IF SOME ACCIDENTS HAPPEN BECAUSE OF LOWER
SOC CONTROL AGREEMENT. DOES GOVT BEAR
THIS RESPONSIBILITY.



"osky blue"

26/03/2006 18:17

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Suggestions for Stage II Consultation on Future Electricity Market

Urgent Return Receipt

Please acknowledge receipt.

From Mr. HK Yan



HK Yan.doc

The Economic Development and Labour Bureau
2/F, Central Government Offices,
Main & East Wings,
Lower Albert Road,
Central
By Email : electricitycommentstage2@edlb.gov.hk

Dear Sir/Madam,

Declaration of Interest

I am an employee of one of the Power Companies.

My point of Views are as follows:

1. The existing permitted rate of return is too high; it has been inequitable as no any linking to the economic climate. I support that the permitted return should be lowered and reasonably linked to the economic climate.

The fact:

Even freezing the electricity tariff during the recent economic recession, the two Power Companies were still able to make a very good level of profits for the years; while the others were suffering.

The reasons

During economic recession, in general, the earning powers of all investments become weak, some even with negative returns. Therefore, it is equitable to have a mechanism to adjust the permitted return in line with the prevailing economic conditions. Otherwise, it would be a way of allocating wealth to certain privileges while others were suffering from economic recession. It would cause a social problem in the long run..

In general, all investors should run and bear risks. The costs of “excessive generation capacity” of capital expenditure caused by economic recession should be jointly borne by the consumers and the two Power Companies. The excessive capacity should not always be borne by consumers only.

2. Pollution problem between HKSAR and Guangdong

People of HKSAR and Guangdong, in fact, are living under the “Same Sky”. If all generation processes of HKSAR were transferred to Guangdong, we would be considered being selfish to shift our air pollution to the Mainland, and it would be harmful to the relationship between people of HKSAR and Guangdong.

3. Pollution and costs generated by existing 2 Power Companies:

Facts:

- (a) HKSAR is a relatively small area. Consumers on HK Island and Kowloon Sides are sharing the same Pollution Problem generated by the 2 Power Companies, because we are living under the “same and small sky”.
- (b) HKE has done better than CLP on the prevention of air pollution.
- (c) CLP generates and sells Electricity to Mainland China.
- (d) HK citizen are living under the same one of “Regulated Electricity Market”.
- (e) **Electricity Tariff for consumers on HK Island is much higher than Kowloon Side and New Territories, and it is going serious .**

I have to ask:

Why do consumers on HK island have to pay more while we are bearing the same air pollution problem generated by the 2 Power Companies, because we are living under the “same and small sky”?

4. A Structural Problem overlooked by the 2nd Stage Consultation Paper.

Facts :

- (a) In the past 30 years, geographical pattern of electricity consumers has greatly changed over the whole HK Island and New Territories. However, the “Regulated Market for the 2 Power Companies” to share consumers growth has never been restructured. As a result, CLP has become larger and larger and has enjoyed much larger scale of production including provision of electricity to the Mainland. On the other hand, HKE has become relatively smaller with relative disadvantages of smaller scale of production.

- (b) Just have a look at the simple figures of changing “Structure” over the ten years

	HKE	CLP
No. of Customers		
2004	552	2160
1995	493	1697
increase	12%	27% per published annual reports
Basic Tariff		
2004	108.5	88.1
1995	86.8	77.3
increase	25%	14% per published annual reports
Excess Capacity (% of Capital Expenditure)		
	50%	40% (note)

(note) Please refer to the 2nd Consultation Paper.

Excess Capacity

2.50 To ensure that the power companies will monitor closely demand in their respective service areas and be vigilant in considering the timing for the installation of additional generation facilities, there is a mechanism under the current SCAs for determining excess generation capacity. With this mechanism, a portion (40% for CLP Power and 50% for HEC) of the capital expenditure on machinery and equipment relating to any facility found to be “excessive” would be excluded from the company’s ANFA for calculating the return.

- (c) As the economy of New Territories and Lantau Island is growing with much higher growth of electricity demand than Hong Kong Island.
- (d) This structural problem is going serious and serious day by day.
- (e) HKSAR is a relatively small area when compared with other countries
- (f) With reference to the Consultation Paper, Government of HKSAR tends to preserve this Structural Pattern which is not reasonable.

I have to ask :

Why do consumers of HK Island have to pay more for the costs of the imperfect and inequitable market?

The portion for the consumers of HK Island to pay more is the cost of the imperfect market which has not been reasonably regulated by the Government.

Suggestions :

1. Common Tariff

This is a new idea. It is possible to determine a common tariff for all citizens of HKSAR. In fact, HKSAR is a relatively small area. The permitted return is determined based on the combined capital investments of both CLP and HKE.

2. To open consumer growth outside HK Island to HKE. It is possible for HKE and CLP to share the consumer growth after 2008 equally.

By increased interconnection

By new interconnection between Lantau Island with HKE

3. Combined Excessive Capacity of the 2 Power Companies

The government has to review the combined excessive capacity of the existing if too large expensive.

As in line with the ideas of above suggested point 1 & 2, if the government of HKSAR restructures the excessive capacity of the two Power Companies as a combined one, it is possible for HK citizens to take advantage of arriving smaller but adequate excessive capacity. In order to reduce investing too much on excessive capacity, our government should take more measures and structural changes to control this item.

4. Interconnection with Mainland China

To maintain a small scale of interconnection with Mainland China can contribute benefits for both HKSAR and Mainland :

- i. Continue to supply electricity to Mainland as there is too much excessive capacity in HKSAR.
- ii. Allow a new or small-scale interconnection and supply of electricity from Mainland so

as to exploring a new and development in future structure.

- iii. Build up a good relationship of support, co-operation of electricity supply for each other; which might support each other in case of unforeseen disasters.

Yours truly,
HK Yan



Benson Wong

16/03/2006 23:04

To: Stage 2 edlb <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Future Development of Electricity Market Stage II
 Urgent Return Receipt

Future Development of Electricity Market Stage II

Hong Kong is geographically too small to introduce deregulation to the electricity market. Based on the the overseas experience, the deregulation only means **higher tariff and lower reliability**. The most efficient operational mode is vertically integration, i.e. generation, transmission and distribution are provided by the same operator. The transaction costs will inevitably increased significantly under deregulation. E! ven under the assumption that Guangdong do support the idea of electricity trading among Hong Kong and South China, huge increase in transaction costs are anticipated due to

- A computer system similar to the stock trading in Hong Kong is required to do the spot and future electricity trading (on half-hourly basis or 15-minute basis for all energy traders and major customers; and there are 8,760 hours in a year);
- Reduction in economy of scale;
- Addition of intermediate agents such as energy traders, system operators and insurance agency; and
- Duplicate resources resulting in redundancy.

All these increases in costs will be largely! born by residential customers as large customers will have a stronger bargaining power to go even for a better deal. Furthermore, if some of the big customers who can make good contribution to profit margins of the utilities have been cheery picked by other competitors, the small residential customers are the victims left to pick up all the operating costs and other sunken costs.

I can quote one specific example to demonstrate the huge increase in residential tariff. The residential tariff in Wellington of New Zealand has gone up from about HK\$0.50 per kWh in early 1990 to HK \$1.20 per kWh in 2006. I do not want to see a big hike in our electricity tariff after deregulation in Hong Kong.

One important point mentioned by the SAR Government is to maintain a level playing field upon deregulation. Higher standards are adopted for environmental protection and a tight emission cap will be imposed on the opertors in Hong Kong. Obviously the generation costs will be lower if lower grade of coal is used and the requirement for environmental protection is more relaxed in Southern China. How can we differenciate the electrons from a cleaner fuel supply from those generated by "dirty" fuel given the disparity in costs?

I do not agree to use different rates of return for different asset classes. As all generation, transm! ission and distribution assets are equally important, the same permitted return must be used for all assets. If different rates of return are used, it will lead to a bias to investment decision as inevitably the investment will go to those assets with higher return.

I disagree to substantially lower the rate of return to 7 to 11%. This will discourage investment on generation and network facilities in a timely manner. It will lead to a downgrade in the reliability of the power supply. There are plenty of examples seen in overseas deregulation. My recommendation is to split the existing permitted return of 15% into 3 components:

- The base return that takes weighed average cost of capital and CPI (both local and overseas) over the duration of the agreement into consideration (A);
- The return that links to performance in term of power interruption, renewable energy and emission control (B); and
- Equalising factor to narrow down the tariff gap between HEC and CLP Power (C).

My initial thought is to split A,B and C into 11%, 3% and 1% respectively. Of course the permitted return is the ceiling and the utilities should earn less than the permitted return.

Some politicians even want to see the rate of return drop to 5% in order to please their voters. The fixed term deposit (risk-free) is more than 3%. The return on bond is more than 4%. Given the interest rate is on the increasing trend and higher returns can be sought from other investment such as banking industry, I doubt who will want to invest in electricity industry with uncertainty (high risk) but the return is only 5%. If no investor is interested to invest in electricity business, is the SAR Government prepared to form a new government department to take over the electricity business in Hong Kong?

The duration of the agreement should be linked to the permitted return. If 10 years is used, higher return must be allowed as the interest rate is on the increasing trend. For longer duration, the fluctuation in the interest rate can be even out and a lower return can be adopted. Furthermore, it is imperative for utilities to sign long-term contracts with fuel suppliers. A short duration of the agreement will only force the utilities to sign shorter contracts with fuel suppliers to minimise the risk exposure but it is only possible with a premium. The customers will have to pick up the additional costs and pay a higher tariff.

I do not agree the permitted return should be reviewed too frequent with too much intervention from the SAR Government. The following is proposed:

- The mechanism to approve tariff increase should be similar to the existing arrangement. The trigger point to seek Government approval can be lower;
- It is better to use one permitted return throughout the duration of the agreement; and
- Clearer energy and environmental policy should be established by the Government so that the electricity utilities do not need to beat around the bush.

Personally I support renewable energy (RE) and demand side management (DSM). The SAR Government can play a pivotal role by giving tax incentive to RE and DSM in a similar way as tax incentive for electric vehicles. To maintain a level playing field and reduce transaction costs, all commercial issues should be treated fairly without any cross subsidisation. It is absurd to ask the oil companies to give incentive to the owners of electric vehicles and provide backup vehicles in case the electric vehicles break down. Similarly asking the

utilities to open up the grid and distribution network for RE and provide rebate to DSM initiatives not only increase the transaction costs but also create unclear market signals. Tax incentives can help to boost the development of RE and DSM.

Unless future deregulation is ruled out, it is impossible to provide free network access to RE. If future deregulation is a possibility, the RE owner must pay a network charge to pre-empt a level playing field in the future. Any standby supply will also attract a network capacity charge despite the customer does not take any electricity from the standby supply under the normal situation.

If HK wants to retain Number 1 ranking in the Index of Economic Freedom compiled by The Heritage Foundation and the Wall Street Journal, the SAR Government must have less intervention in the market. Is it the time for the SAR Government to add Towngas to the list for regulation or un-regulate bus / ferry operators, HEC and CLP Power?

HM Wong



"Helen Harries"

24/03/2006 20:11

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: HmHarries_____

27 March 2006

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

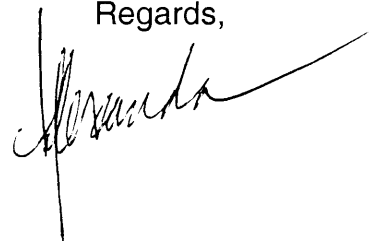
Dear Sir,

Future Development of the Electricity Market in Hong Kong

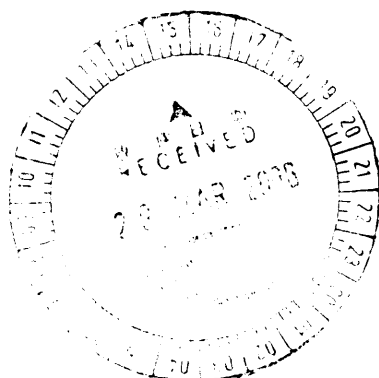
Please find below my views on the future development of the electricity market in Hong Kong:

1. The reliability of power supply in Hong Kong is of very high standard nowadays and it is expected to continue after 2008.
2. Any government's proposals which would lower the power companies' incentives in their future investments in the electricity supply facilities should be abandoned as the reliability of power supply in the future would be affected. In particular, the proposal to reduce the rate of return of the power companies and the proposal to shorten the period for the agreements signed between the government and the power companies should not be considered as they increase the investment risks of the power companies immensely and the power companies would reduce their investments in their facilities.
3. A reliable electricity supply is essential in keeping Hong Kong's image as a metropolitan city. The government should provide enough incentives for the power companies to invest in the future when defining the regulations for the electricity market after 2008.

Regards,



Ho Alexandra



27 March 2006

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

Dear Sir,

I would like to express my views on the consultation paper as listed below.

To shorten the regulatory period from 15 years to 10 years is a hurdle to investment. It is commonly understood that the electricity industry is capital intensive with long-life assets. Only 10 years of certainty to earn return is surely insufficient for investors of power companies.

The lowered rate of return from the existing 13.5% to a range of 7-11% is another barrier to investment. Without justification, it is impossible to conclude that this range of return rates is high enough to attract investors to put in money that can be locked up over the life of power equipment. The 7% return proposed for emission reduction facilities is also too low. Insufficient investment in these facilities will not help solving the air quality problem that we are facing now.

I welcome that the Consultation Paper has set a right direction for the future electricity market by maintaining bilateral agreement between the government and the power companies. However, in order to achieve your policy objectives, the above mentioned proposals should be reviewed or discarded.

Yours,



Ho Chaplin



20.2.2016

經濟發展及勞工局長大鑒：

24 FEB RECD

香港電力市場未來的發展
第二階段諮詢文件

查兩電力供應者將於08年合約期滿，官商即將商討是否續約的問題，唯在官商尚未展開會前，雙方都各自表態自己的立場，而頗為針鋒相對。甚不啻弦外之命脈，故我們應以務實、誠懇之態度對待事件。談判前不應預先破壞將來之氣氛。

其實兩電力公司已有悠久的歷史，一向官商均互諒互讓的合作精神，以保持至今，而兩電力公司已成港人的一分子，而兩電可以說是在港人的資產，而兩電亦能致力創科研，精益求精，保持優良的服務，對環保、回饋用戶、提供優惠均及參與社會事宜均有其目共睹。凡此種種均非外地所能比喻也。

合同期滿，一是取消現時之供應者而引入其他外商，二是續約。這很簡單。

如是前者，鄙人假設新供電商是國內的，則問題大矣。因為大陸近香港，他們的設施必在近香港的地方興建，到時香港的空氣污染指數必失控，而電費也隨之而提高。查內地的好電費是相當貴的。我在大陸的鄰居因住在頂層，

夏天用較多冷氣，每月電費就要數百之巨。
而他們的薪金每月只得約1000元，而電費就要
佔去薪金的一半，故此他把樓宇賣掉而遷出。
在港我從來聽過有人因電費貴而賣樓者。
故此引入外地供電者，實有很多隱憂及危機。
相信沒有人願負此責任的。

好了，香港移交中國時，不是有50年不變法章嗎？
那就好了，電商就可再續約42年，但因通脹|縮
的情況，而減少^{利率}百分之三，或可採取浮動加減。
制，視乎通脹或通漲而定，而政府亦有權引進
其他供電者，則政府再和他們詳細商議各種
被雜的條件。

最後我相信及有信心現時兩電力公司在電費、
環保、設施等^等都比其他地方辦得更好，更有透
明度，尤其是在科研、改良設施方面每日並進，我
對他們充滿信心。祝安怡。

何灼輝
14.2.2006



"HO CHEUK LING"

15/03/2006 23:09

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) 啟



"Ho Chi Ho"

18/03/2006 12:40

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

To: Economic Development and Labour Bureau

RE: The AIR POLLUTION caused by the power stations.

The facade of future electricity market must NOT outweigh the social and environmental responsibilities of those power companies. Dislike the technological lackage in past decades, they do develop other alternative methods of power generation which make use of, for instance, wind or solar energy transformation.

Here, I presume to have your greatest efforts based on, but not limit to, the below recommendations in order to help alleviating such air pollution issue from being aggravated.

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 some incentives, for instance, 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 strongly demand the SAR government to take prompt remedy actions in order to bring all Hong Kong citizens a healthy and clean environment to live in - not just for now but for generations forever.

I look forward to hearing from you.

Yours sincerely,

Ho Chi Ho

Ho Chi Ho

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

16 March 2006

Ho Chi Hung

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

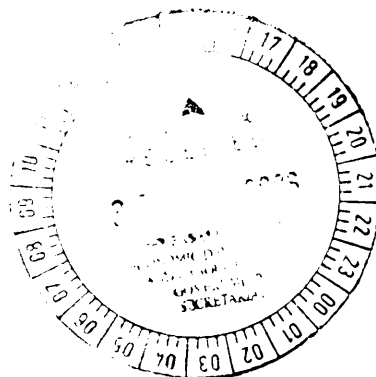
Dear Sir,

Subsequent to my comments on the Stage I Consultation on the future development of the electricity market in Hong Kong in 2004, I like to comment on the Stage II consultation paper on the future development of the electricity market in Hong Kong.

In the Consultation Paper II, I realize that a 7-11% permitted return is proposed. I would like to point out that if there is not enough incentive to the power companies, I am sure that our existing electricity supply performance will be deteriorated. We cannot enjoy the world-class supply reliability in Hong Kong. With the other stringent conditions such as i) penalty of excess capacity, ii) government approval for tariff adjustments, iii) rate of return linked to the emission cap target achievement etc, I am worry about if there is sufficient incentive provided to the existing power companies by the government. Such harsh business conditions will also hinder the investment to ensure stable electricity supply.

Since Hong Kong is a free commercial market, government is not in an appropriate position to interfere excessively on the operation of private company. Hence, I think that it must be very careful for the government to ensure a reliable supply can be maintained after 2008 in Hong Kong.

Yours sincerely,



26 March 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
the Future Development of Electricity Market in Hong Kong

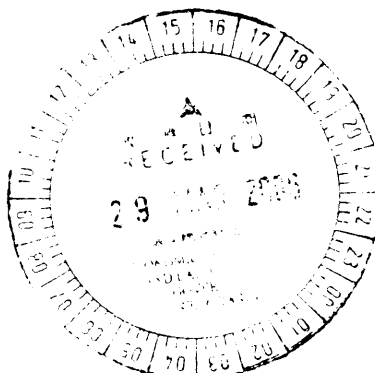
The most important finding of the stage I consultation is that supply reliability is of utmost importance among the various policy objectives that may be conflicting. With this in mind, I have the feeling that the stage II consultation paper has not properly taken this into account. There are proposals like 10-year regulatory period and 7-11% permitted rate of return that on one hand add business risks to the power companies and on the other hand add even more severe risks of inducing unreliable power supply.

To proper address the reliability issue, I consider the regulatory period and permitted rate of return should be maintained at their current levels, namely 15 years and 13.5%.

Yours faithfully,



Ho Chi Ling, Michael



March 16 2006

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

Ho Chi Yin

Dear Sir,

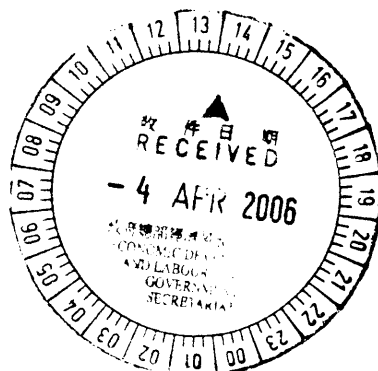
Consultation Paper II

I support the Government that reduction of emissions in power generation is an important issue for improving the regional air quality in the Pearl River Delta. I think that with the regulation of the environmental performance of power stations covered by the Air Pollution Control Ordinance and other environment-related legislation enforced by the Environmental Protection Department (EPD), the existing power generated in Hong Kong must be reasonably clean and the regional air pollution would be mainly due to dirty power generation in the Mainland.

There are two ways for better air quality in Hong Kong: the building of RE infrastructure and the installation of emission reduction facilities. As mentioned in the Paper that topographical constraints and limitations exist in Hong Kong for the application of RE, it seems that only the installation of emission reduction facilities is practical in Hong Kong.

With all the feasible emission reduction facilities installed, will the target of reduction of emissions of the four major pollutants in Hong Kong be reached? In my opinion, if the power companies have already done their best to reduce the emissions, it will leave to the power companies in the Mainland to reduce their emissions significantly. If the target cannot be reached with the installation of all feasible emission reduction facilities in Hong Kong, are the power companies forced to invest on RE in the Mainland or emission trading? In that case, we, the electricity consumers in Hong Kong, are forced to pay for the RE invested in the Mainland. I totally disagree with such kind of policy.

Yours faithfully,



何志毅

29 March 2006

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

Dear Sir,

Comments on Stage II Consultation

After reading your Stage II document, I think you have set the right policy objectives for the future electricity market. However, in order to achieve your policy objectives, you need to revisit some of your proposals so as to ensure that investors will continue to invest in electricity infrastructure for Hong Kong, and in the environmental mitigation measures to improve air quality.

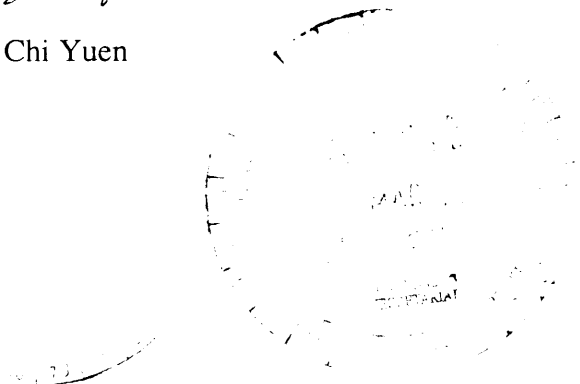
The short regulatory period of 10 years is one barrier to investment. Investment in electricity infrastructure is capital intensive and the assets invested have long life. If there are only 10 years of certainty to earn a return, and a big uncertainty in some 20 years subsequently, who will invest?

The second barrier to investment is the 7 – 11% return rates. These rates are not attractive at all for investors to put in money that can be locked up in 30 to 40 years. Moreover, the 7% return on environmental facilities is considered low and hence cannot help mitigating the air quality problem we are facing now.

Yours sincerely,



Ho Chi Yuen



31 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

We are the holding company of nearly a dozen of operating companies specializing in civil engineering and network construction. Lately, it has come to our attention that the Government has launched a public consultation on the future development of the electricity market in Hong Kong. As our company has been operating in Hong Kong for more than 10 years and is planning for further expansion, we are deeply concerned with the possible outcomes of the consultation.

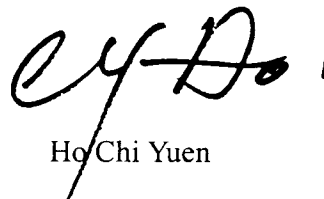
We consider the provision of a fair and stable infrastructure of utmost importance to any business operator. Hong Kong, unlike many other cities, has always been provided with adequate and reliable supply of electricity. For that, we must give credit to the two power companies that have been doing an excellent job. As we are very satisfied with the existing level of electricity services, we fail to see why the

Government should propose to make changes that are not conducive to the healthy development of the electricity market.

The proposed lowering of rate of return to the power companies (from 13.5% to 7 - 11%) and shortening of regulatory period (from 15 years to 10 years) will surely discourage investment and thereby affect supply adequacy and reliability. As already pointed out by some academics in the public, these proposals may not necessarily lead to a lowering of tariff. If that is the case, why should we be bothered with such changes which have all the downside risks but little upside gains?

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 enjoy an adequate, certain and reliable electricity supply.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CYD', with a long vertical stroke extending downwards from the 'D'.

Ho Chi Yuen



"Thomas Tang"

27/03/2006 09:07

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,

I am very much concerned about the air pollution in Hong Kong, according to the news and info. found, it seems the key pollutants from the power stations and car emission in HK.

I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation and car emittants. 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 companie' 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, and million of visitors of HK, back the blue sky and a breath of clean air.

Sign: _Ho-chor TANG_



"selina ho"

14/03/2006 11:40

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Stage II Consultation Paper on Future Development Of the
Electricity Market
 Urgent Return Receipt

To : Economic Development and Labour Bureau

Dear Sir,

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

After reading the Stage II Consultation Paper, I would like to comment on
the following:

1. Electricity industry requires vast capital investment as the
generating
units and infrastructure incur billions of dollars. The return on
investment should be reasonable and attractive in order to secure the
continuous acquisition and maintenance of world-class electricity
installation and equipment. This will also ensure that a stable and
reliable electricity supply is provided.

As an international finance centre, we cannot afford to have unstable or
unreliable power supply. We hear from time-to-time about blackouts in
other
parts of the world. I can't imagine the damage to the Hong Kong society as
a whole if there is ad hoc power failure in the stock exchanges, etc.
We'll lose our competitive edge just by a few incidents of such nature. To
have a world-class electricity supply, there is always a cost attached to
it, just like people are willing to pay a premium price for a or
car. It will be unfair to ask for a first class service but only want to
pay a little sum. I think the proposed Rate of Return is not attractive
enough as it's even lower than that of a bus company. I wonder how to
derive the 7-11% - why not 10-14%, 11-15%, etc.? Is there any scientific
method to determine? The range of 7-11% may be misleading too if only a
little percentage of assets are eligible for the highest rate of return
whilst most of the assets only permit the lowest rate of return.

2. To have a good system and infrastructure in place, power
companies need
to have their own medium- and long-term plan. The proposed 10 years
regulatory period may be too short for them as the asset lives for their
equipment should be much longer than 10 years. The shorter the regulatory
period, the more we may have to pay for the electricity bill as the power
companies need to make profit on their businesses. Instead they'll turn to
buy second class equipment, etc. This shortening of regulatory period may
not help us but harm our long-term interests.

3. Last but not least, I have great reservation on the possible
import of
Mainland China electricity as their track record was no good at all. I
just
afraid this will adversely affect the reliability of electricity supply in
Hong Kong.

I hope my views may to be taken into account. Thank you,

Ho Chuk Kwan
Email ID :



Ho Chun Wing

To: electricitycommentstage2@edlb.gov.hk

cc:

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

Urgent Return Receipt

31/03/2006 10:42

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.

Ho Chun Wing



"Ho Chun Yin"

27/03/2006 19:06

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,

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.
7. I recommend that SAR government to consider investing directly or indirectly on RE.
8. I urge the SAR government to set aggressive plans to address the problem of air pollution in Hong Kong.

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

Sign: Ho Chun Yin

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

13 March 2006

Dear Sirs,

**Government's Consultation Paper on the
Future Development of the Electricity Market
In Hong Kong – Stage II Consultation**

I refer to the captioned consultation paper and I wish to take this opportunity to express my views as follows:-

Duration of Agreements

The electricity supply industry is capital intensive requiring long lead time for planning and long pay-back period. I would therefore urge the government to maintain the duration of the future agreements as the existing 15-year term with an option to extend by another ten years.

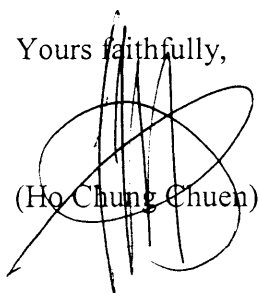
This 15-year term has been operating well in the current arrangement and is one of the vital catalysts for capital investment.

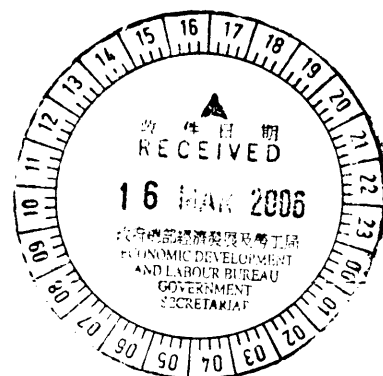
Use of Renewable Energy (RE) and Institutional setup

In para.2.46 of the captioned paper, government proposes to provide financial incentives to the power companies to encourage them to use RE in electricity generation, with a view to achieving the target of having 1% - 2% of our local power needs met by RE by 2012.

However there is no assistance in the way of additional institutional setup to help the power companies achieve the target. I would suggest government set up a co-ordination body or office, similar to New Airport Projects Co-ordination Office (NAPCO) in the case of Chek Lap Kok Airport back in the 1990s, to help the power companies in technical, land and planning aspects such as conducting power system planning and grid connection, environmental considerations, site selection and land acquisition for wind farms and solar panels and their related transmission facilities.

Yours faithfully,


(Ho Chung Chuen)





"Ho Chung Pui"

03/03/2006 21:05

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We need a stable electricity supply

Urgent Return Receipt

There is simply no point to open up the electricity market as the administrative cost involved would be too huge and that it would lead to disruption of electricity supply if the 2 electricity companies refuse to invest in their infrastructure.

Think before you do anything.



"ho ck"

06/03/2006 03:41

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Future Development of Electricity Market in Hong Kong - Stage II
Consultation

Urgent Return Receipt

I would like to have the following comments on the Consultation Paper:-

1. New Supply Source

- The reliability of supply is a major concern when considering the supply from Mainland. Furthermore, it will lead to loss of job opportunities for the electricity supply industry.
- Economic consideration shall be taken into account for Renewable Energy.
- Grid access for new supply source is not practical due to the small size of the electricity market of Hong Kong. This will introduce complexities in operation, pricing system as well as the responsibility of providing adequate electricity supply capacity.
- Increased interconnection between the existing two power companies will not have economic benefit to customers and also make no improvement on supply reliability

2. Proposed Regulatory Arrangements

- The rate of return is a critical issue in the bilateral agreement between the Government and the power companies. From the customers' point of view, it is always aims at a lower rate. But for the real benefit to all parties, the rate should be reasonably set such that it will attract investment to maintain the quality of the electricity supply. Explanation with justification for setting the rate for different asset types shall be disclosed during the negotiation.
- The period of the agreement may have some impacts on the calculation and setting of the rate of return. A longer terms is reasonable as the electricity supply industry requires heavy investment and long term planning.

The present regulatory system has proved to be able to provide a reliable electricity supply with reasonable price level in comparison with other countries. In order not to jeopardise the electricity supply industry, no drastic changes will be desirable.



"Ho Fiona"

28/03/2006 09:05

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勾，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



"Ho Gi Sum Roanna"

24/03/2006 21:55

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勾，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。

__Ho Gi Sum Roanna_____ (署名) 啟



"Katy Ho"

31/03/2006 15:19

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

31 March 2006

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

Dear Sir/Madam,

Future Development of the Electricity Market in Hong Kong

When it comes to the development of electricity market in Hong Kong, people are apt to considering whether the tariff can be regulated so as to relieve the current expenditure. A handful of them are concerned about investment on these electricity suppliers. As an electricity provider, it is significant to ensure the reliability of electricity supply under any circumstances. Definitely, the proposed future development of the electricity market brings an impact to the current electricity suppliers.

Importing supplies from the Mainland worsens the current electricity supply, even though it provides an opportunity for people to choose the suppliers. Obviously, the Mainland, being a developing country, has a lethal demand of electricity supply which results in starvation. The supply situation in Guangdong is inevitably subject to the same issue. As the electricity supply from Guangdong remains unstable, the supply reliability is put in jeopardy in Hong Kong. People have to take the risk of suffering from sudden blackout if they choose the supply from the Mainland. The responsibility to ensure adequate and reliable supply is suspectable. Moreover, the pollution in the Mainland is fatal. The current regulation is ineffective to control the pollution arisen from generating electricity in the Mainland. Unfortunately, Hong Kong is suffered from pollution from the Mainland when the wind speed is relatively low. Bringing supply from the Mainland is uncertain in terms of reliability and pollution, it is unwise to acquire third party supply sources at this moment.

Considering the public health and concern, supply from the Mainland should be waived. The Hong Kong Government should strive a balance between the tariff, investment, reliability and safety when analyzing the future development of the electricity market.

Yours faithfully,
Ho Hai Ling



"Ho Hing Yu Steven"

30/03/2006 18:40

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Resend -: Future Development of the Electricity Market in Hong Kong Stage II Consultation

Urgent Return Receipt

Name added.

-----原始邮件-----

寄件者: Ho Hing Yu Steven

寄件日期: 星期三, 29 三月, 2006 23:41

收件者: 'electricitycommentstage2@edlb.gov.hk'

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

I am a humble citizen of Hong Kong with simple knowledge about electricity. I would like to express my concerns on the "Future Development of the Electricity Market in Hong Kong Stage II Consultation" as below:

Concerns of Emission from Power Stations

As HK Government and Guangdong Provincial Government had agreed to achieve an emission reduction target by 2010, the power companies are required by HK Government to install new emission reduction facilities. According to the power companies and newspaper, those emission reduction facilities are retrofitted to the existing old coal fired generating machines that have been used for nearly 20 years. Some experts said these machines would have a lifetime of 25-30 years. Is that meant the newly retrofitted emission reduction facilities of huge capital investment shall be retired in around 10 years or shorter time? This is only 1/3 of the lifetime! In that case, I think even the power companies generously do not charge any profit on those facilities, depreciation and capital cost of the facilities will drive the tariff up. The other way round is the power companies will depreciate the facilities in around 10 years and charge the profit from the asset that normally last for 30 years in 10 years time!

Alternative solution proposed by HK Government is emission trading which require our power companies to purchase "right to emit pollutant" from power stations in Guangdong to balance the outstanding emission in order to fit into the cap imposed by HK Government. We were impressed that power stations in Guangdong are less efficient and dirtier than HK power stations. Why they have surplus "right to emit pollutant" to sell to us? Perhaps, the power stations in Guangdong can just stop the generators to save running cost and purchased electricity from HK and we paid them for the "right to emit pollutant".

Concerns on the Proposed Rate of Return

HK Government proposes 7-11% permitted return on asset for local power companies for a period of 10 years with an option to extend for 5 more years. Information on how to derive these figures was not disclosed in the Document. Comparing with the interest rate of HK\$ saving account, the proposed rate seems not bad. Some experts criticize HK' s power companies are running risk free business and the rate of return should be comparable with that of US Treasury Bonds which is currently yielded less than 5% per year. Investment in financial market is different from that in power industry. Due to the liquidity, you can move fast in financial market and you can have different strategies or instruments like speculation, hedging, derivatives instruments, etc. However, power industry requires long term and consistent investment and all the invested capital will be converted to fixed assets that cannot be removed or redeployed somewhere else. Power companies bear the risk of committing huge capital for a very long period time and without liquidity. An attractive rate of return for a reasonable period is the only incentive for power company investor. Behind the rate of return are the endeavors of power company to provide a reliable electricity supply and to solicit the best suitable technologies to deliver electricity to you whenever, wherever and in whatever amount with minimal environmental impact.

In view of the long term, huge capital investment and zero liquidity, the internal rate of return for power business is much less than the stipulated return for the proposed 10 to 15 years term. An article published in The Standard of 1 March 2006 saying that the IRR up to the tenth year is just 3.3% for an annual permitted return of 10% of fixed asset. It is hard to determine a fair premium for HK power companies. The existing 13.5% permitted rate of return that has been adopted for tens of years is justified with the performance and commitment of the power companies over the past SCAs. This can be the base for the rate of return for the power companies after 2008.

Concerns on Asset Stratification

It was not mentioned in the Document but Mr Ip, Secretary of the Bureau, explained in the media that capital investment in renewable energy facility in HK should be rewarded with an 11% return (ROI). Other assets will be paid at 9-10% ROI while the emission reduction facilities can only have 7% ROI. We all understand that it is not feasible to build renewable energy facility in HK of significant capacity. The current RE facilities in Hong Kong are constructed more or less a monument for public relation rather than practical generation facilities. I can' t see how the asset stratification can benefit the consumers. Power industry is a highly integrated business. Generation, transmission and distribution systems shall be well planned and well integrated to match with the loading requirement and to provide reliable electricity supply. Stratify the generation, transmission and distribution asset with different rates of return will lead to unbalanced investment that mismatching with the actual loading requirement. Just like the case of

North America black out in 2003. A lot of generation facilities there but a poor transmission network rendered this historical black out.

Moreover, asset stratification requires a lot of administrative work both in the power companies as well as the Government regulatory body. Who is going to pay for this? Tax payer and electricity consumer will do.

Ho Hing Yu



"ho hok lai"

18/03/2006 09:30

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

ho hok lai



"Ho Hsin-Li"

29/03/2006 23:44

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: _____



"Ho Ka Ip"

25/03/2006 22:20

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：

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勾，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



"Ho Ka LiM"

31/03/2006 11:15

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: I 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,

Ho Ka LiM



"HO Ka 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

25/03/2006 23:35

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勾，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



"HO KA YI"

27/03/2006 10:50

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勾，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。

__HO KA YI_____ (署名) 啟

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

Ho Ka Yin

Dear sir,

FUTURE DEVELOPMENT THE ELECTRCITY MARKET IN HONG KONG
STAGE II CONSULTATION

I wish to express my views on the “Third Party Grid Connection / Access by RE Users / Using RE” proposed in the Consultation Paper.

With the grid connection / access by the RE users / using RE, there may be problems on the reliability of power supply presently provided by the two power companies. The existing power grids are private properties of the two power companies that have been planned and developed to match their own supply sources. The existing power grids may not be compatible with the operating condition of a third party. Besides, the power generating using RE is very minimal. It is not economical worthwhile to give third party grid access to the existing grids taking a possible risk that it will endanger the certainty of power supply to the consumers.

To secure the reliable power supply to the consumers, it is my view that “Third Party Access” to the existing grids owned by the two power companies shall NOT be given to the RE users.

Yours sincerely,



Ho Ka Yin



16 March 2006

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

HO KAI HIN

Dear Sir/Madam,

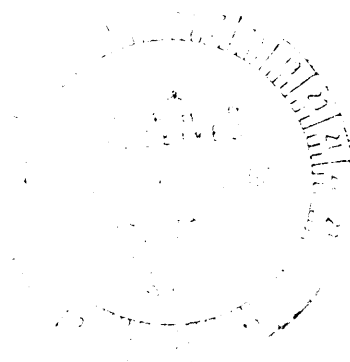
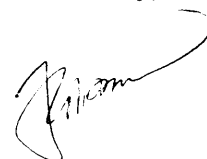
New Supply Sources of Consultation Paper II

I appreciate that the Government has successfully governed the two existing power companies such that a high standard of supply reliability exceeding 99.99% could be accomplished.

From this Paper, I share the same view with the Government that the future development of the electricity market in Hong Kong could not predicate on the electricity supply from the Mainland and there are topographical constraints and limitations in Hong Kong to the application of RE. I support the Government to further promote the use of RE in Hong Kong by facilitating generating facilities in Hong Kong employing RE to connect and feed electricity to the power companies' power grids.

But as the new supply sources from the Mainland will unlikely be available and reliable in the coming decades, further investment on the interconnection between CLP Power and HEC will lead to higher electricity tariff and the Government' s previous monitoring of the two existing power companies is successful, I think that there is no economic and electricity consumer benefit to set up a separate regulatory authority for drawing up the regulatory framework regarding provision of grid access and for the interconnection between CLP Power and HEC at this stage.

Yours sincerely,





"Ho King Ngar"

25/03/2006 21:49

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Comments on Stage II Consultation Paper

Urgent Return Receipt

Dear Sir/Madam,

After reading your Consultation Paper on Future Development of the Electricity Market in Hong Kong - Stage II Consultation", I have the following comments:

It is very disappointing to see that the government is proposing to (i) introduce power supply sources from the Mainland, (ii) increase the interconnection capacity between the present power companies (CLP Power and HEC), (iii) decrease the rate of return for the power companies to 7-11% and (iv) apply different rates of return to different types of assets for the power companies.

Introducing new supply sources from the Mainland will not help Hong Kong in any way. Firstly, power shortages in the Mainland are not uncommon. How can Hong Kong rely on the Mainland to meet its electricity demand in the future? This will only affect the world-class reliability of power supply in Hong Kong. Hong Kong cannot afford to lose its good reputation as a metropolitan city due to power supply shortage from the Mainland.

Secondly,

power stations in the Mainland produce more pollutants than those in Hong Kong. If the power stations in the Mainland were to be responsible for generating electricity for Hong Kong, this would only worsen the pollution problem the Pearl River Delta region is experiencing nowadays.

Increasing the interconnection capacity between CLP Power and HEC is also a bad choice for Hong Kong. In addition to having an immediate tariff pressure on the consumers, this proposal does not bring anything beneficial to Hong Kong. It can neither stop the power companies from building new generation capacities in the future nor can it give consumers the choice to buy electricity freely from their preferred supplier. You should abandon this option in your future consideration.

The government proposed to decrease the rate of return for the power companies to 7-11% without any justifications. With the prime rate of Hong Kong already reaching 8% nowadays, why would the power companies still invest in their facilities if their future rate of return is set to so low? This proposal does not give enough incentives for the power companies to continue to invest in their facilities and would have an adverse effect on the reliability of power supply in Hong Kong.

The newly proposed 4-tier rates of return for different asset types complicate immensely the calculations of returns for the power companies. If the cost of capital for all the assets is the same, why should there be different rates of return for different types of assets? In particular, the rate of return for emission reduction facilities is only 7% (even lower than today's prime rate), how would this give any incentive for the power companies to install more emission reduction facilities? I found it contradictory that the government on the one hand wants the two power companies to reduce pollutants from their generating plants, but on the

other hand sets the rate of return for emission reduction facilities to be so low that no investor would sensibly invest on these facilities.

Please consider my comments above in your future plan.

Ho King Ngar



"Eric Ho"

18/03/2006 00:02

Please respond to anric

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: comment on electricity market in future

Urgent Return Receipt

I would like to share some of my views on consultation paper regarding the above.

Firstly, the consultation paper suggested giving incentive to power company for reduction of emission but on the other hand, they proposed to give a lower rate of return to emission reduction facilities. I really not understand what the Government want to do.

The paper also proposed to reduce the rate of return to 7 - 11% but no justification was provided. Why existing 13.5% was too high but 7-11% was reasonable ? In addition, reducing return of investment will inevitably reduce the interest of new investment to electricity market that will jeopardize the stability of electricity and also the economic of society (California case is a good example). In addition, they also proposed to reduce the future duration of agreement to 10 years term with option to extend by another 5 years. I totally not agree with this arrangement because of the long pay back period for electricity equipment. Reducing duration of permitted rate of return means that investor and banker need to bear more risk leading to reducing intension of new investment. If 10 years term is appropriate, why an option of another five years is required. Does it mean that Government also think 15 years term is more appropriate but change some wordings to please some of HK people.

Up to this moment, Government have no idea on new rule of game to introduce new competitors to electricity market. If Government just want to please some of hk people and introduce some amendments to the existing effective regulation, the result is unexpected which may be a higher tariff rather than a lower one and may incur tremendous economic cost. (Our housing policy of 85,000 is a good example). Government should not intervene the operation of free market and the existing agreement is a maximum cap to control the tariff to a reasonable level. The actual amount of tariff in HK is higher than that in mainland China but comparing with average family income, the percentage is much lower (The average level of salary in HK is about two to three times or more of that in mainland China). The major portion of expenditure of business in HK is rental and salary but not cost of electricity. If we want to increase competitiveness of business in HK, reducing rental and salary are much effective than reducing electricity tariff, I think that nobody want to reduce salary which may lead to economic recession (The period between 1997 -2004 is a good example).

In addition, a lot of financial fund including MPF kept stock of power company as long term investment due to stability of its stock price and high dividend policy. Government intervention on electricity market may affect stock price and dividend policy of power company. How many people will be affected ? Do you think the saving in tariff, if exist, can compensate such loss? I don't think so.

Ho Kwok Chiu



"Ho Lai Van"

25/03/2006 08:47

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: _____



"HO Lai-wah"

18/03/2006 12:09

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；
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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

HO Lai-wah



"Ho Ngai Ma, Carl"

30/03/2006 12:12

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.

Ho Ngai Ma, Carl



Ho Pui Han

30/03/2006 11:37

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.

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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.

Ho Pui Han



Ho Pui Ming Noel

30/03/2006 21:39

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.

Ho Pui Ming Noel



"Ho Siu Kwong"

29/03/2006 20:59

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Comments on Government's Stage II Consultation Paper on
Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

Dear Sir,

Please find attached my comments on the Stage II Consultation Paper on Future Development of the Electricity Market in Hong Kong.

Regards,



Ho Siu Kwong Stage_II.pdf

**Comments on Government's Stage II Consultation Paper
on Future Development of the Electricity Market in Hong Kong**

1. Policy Objective

The objective to “*ensure 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*” is correct and commendable in broad terms. However, it should be recognized that these factors are not independent of each others. These factors must be taken care of in a balanced, coordinated and realistic way. It is not realistic to merely call for reducing environmental impact without due consideration of the impact on assuring reliable supply as well as its economic viability. The policies on energy usage and environmental protection must be clear and compatible with each others, and a long term vision is necessary to achieve the aforesaid objective in a sustainable manner. The consultation paper does not indicate any intention to develop a long term energy policy with cohering environmental requirements.

2. Renewable Energy

For the development of renewable energy, two points should be noted. Firstly, by nature of the renewable energy like wind and solar power, their energy source and hence their output is fluctuating and largely uncontrollable. Remember that the periods of high electricity demand in Hong Kong were usually those hot evenings with stagnant air. They cannot be relied on for maintaining stable and reliable supply, and it is necessary to provide equal or similar amount of backup capacity from conventional controllable power source such as fossil fuel or nuclear generation.

Secondly, cost for construction of renewable generation is high. Even if people are willing to pay for the higher capital cost, the public has to have consensus on the change in land use and probably the scenery in our surrounding to allow for their development.

Therefore, to allow renewable energy to develop in a healthy and sustainable way, both the environmental and reliability issue must be carefully taken in account. Again this calls for a holistic and visionary long term energy policy, rather than simply offering a financial incentive for renewable energy development.

3. Interconnection and Open Access

There is always a myth that one can always import cheap and green electricity from elsewhere by building an interconnector. Whilst this seems to be true, there are technical and regulatory issues to be resolved and carefully managed to allow power to be imported without adverse effect on the reliability and stability of the local power system. We surely do not want to experience blackouts like those occurred in the US or some European countries back in 2003 due to collapse of the interconnected system. The interconnection has to be well planned and designed to cater for not only the power flow under the normal situation but also

under contingency condition where much bigger transfer capacity is required. Also, the internal networks of both the importing and exporting systems have to be reviewed and reinforced as necessary to accommodate the transferred power, then who will be responsible for coordinating and paying for such reinforcement? Moreover, one has to prepare for the situation of lost of the interconnector or any sudden deprivation of the importing power. In such case, who will be responsible to provide the backup power to maintain system reliability and stability, and who will pay for it?

I am glad to see that the Government showed a prudent stance in the consultation paper in opening up the electricity market and recognized the supply shortage and reliability problems currently in the Mainland. In the longer term, if the Government wants to open up the electricity market, a clear vision and careful planning and preparation is necessary.

4. Economic regulation

The current Scheme of Control is proved to be effective in providing a highly reliable and affordable electricity supply for Hong Kong. The Government is scrutinizing the performance and investment of the power companies closely under the scheme. It is unwise to change just for the sake of changing. The regulation of the electricity supply industry under the Scheme of Control shall be maintained.

In the longer term, if the Government would like to introduce open competition option in the electricity sector, it is important that a long term policy must be formulated. The policy should allow a fair and level-playing ground for the existing and new players, suitable operational and control mechanism to ensure supply reliability will not be jeopardize by trading activities, interests of the smaller customers will not be sacrificed for the benefits of the larger customers, and that the environmental objectives will be fulfilled.

5. Rate of return and term of agreement

The consultation paper proposed a rate of return of 7 to 11% without clearly stating the assumptions behind these figures. It seems that the Government is trying to indoctrinate these figures for the rate of return in the paper, rather than evaluating the rate in an open and fair manner. Also, the term of the agreement is proposed to be shortened to 10 years. Like other infrastructure development such as railway, investment in electricity supply is highly capital intensive with long asset life of over 30 years. The lower return rate and shorter contract term will discourage the power companies from investing on supply system and will eventually lead to adverse effect on supply reliability.

6. Environmental Regulation

The environmental regulation should be integrated into the overall energy policy to ensure consistency and compatibility. Section 2.29 of the paper mentioned that *"We have also asked the power companies to use natural gas for power generation as much as possible."* This is a higher unclear statement. What is

meant by as much as possible? Does it mean that the power companies should change all generation to gas-fired or the current fuel mix is about right? An unclear energy policy will only bring chaos, instead of cleaner air.

7. Emission Reduction, Energy Efficiency & Responsibility Demarcation

It is the common wish and goal of the society to achieve better environmental condition. But it should be clearly understood that the pollution emission is the byproduct of the energy usage with the prevailing technology of energy production. Every energy users, not the energy producer alone, shall be responsible for the emission and its reduction. Without a fair recognition and sharing of responsibility, the pollution issue can never be effectively resolved in a sustainable way. The same principle applies to other areas like water pollution.

Emission can be reduced by either using new generation technology with lower emission or by adding emission reduction devices to the existing plant. The choice of technology and the proportion of mix of these options to be employed have to take into account the cost and reliability of the technology, diversification of fuel mix to ensure secure supply and the economy of abandoning plant current in operation. It is essential that the government should develop a clear energy policy to strike a balance amongst these factors, rather than just proposing different rates of return for renewable energy and emission reduction facilities. Also, section 2.53 of the paper said *“We will also explore options to avoid the costs of installing the (emission reduction) facilities being passed onto consumers as far as possible.”* Such proposal is unreasonable and against the user responsible principle, and it will only disincentivise emission reduction initiatives.

In fact, increasing use of renewable energy and emission reduction facilities will only address one side of the pollution problem. It has also to be tackled from its source – the use of energy. Energy conservation and improving efficiency of usage will be even more important in sustaining continuous development. Whilst energy producers should be responsible for enhancing efficiency of the production process, the user should be responsible for efficient use and conservation of energy. Such demarcation of responsible should be clearly spelt out in the Government’s Energy Policy. The Energy Policy should promote and incentivise both the energy producer and user to play their parts in achieving energy efficiency and conservation. The power companies as a corporation citizen should help to promote energy efficiency to the user, but should not be held totally liable to do so.

Submitted by:

Ho, Siu Kwong

28 March 2006

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

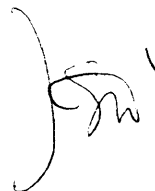
Dear Sir,

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

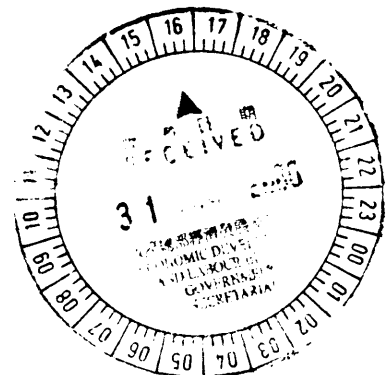
I would like to have the following comments on the Stage II Consultation proposals.

I have the opinions that the reduced 7-11% permitted return is too small and the 10-year regulatory period is too short. These are not sufficient to attract adequate investment in electricity industry. Without long-term investment for building electricity infrastructure, electricity supply reliability will deteriorate tremendously. I am worrying we have to suffer from power interruptions and our economy will be seriously affected.

Yours faithfully,



Ho Ting Ting





"Ho Tsz Ting"

20/03/2006 23:23

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。
7. 訂下進取的可再生能源目標：2012前達到3%
8. 香港用電量極大，訂下節約電力目標，阻止用電量繼續增長

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

Ho Tsz Ting

31/3/06

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

Ho Tung Shun

Comments on Stage II Consultation

Dear Mr. Ip,

With reference to your Stage II Consultation proposals, I agree with your ideas of policy objectives, institutional setup, fixed asset approach on return. These will have least interruption to Hong Kong. However, I have comments on the following proposals:

(1) New Supply Sources coming from the Mainland

The Mainland cannot be relied on. It has a poor record of supply reliability and power shortage.

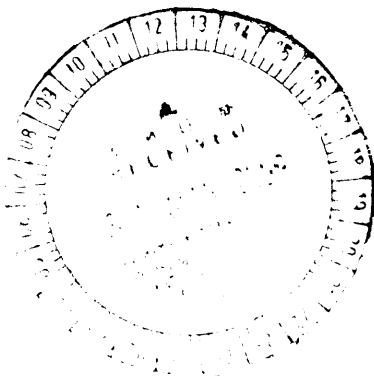
(2) Inadequate incentive to utilities

The shorter regulatory period as compared with the current one and the 7 – 11% rates of return will discourage utilities to invest. Power shortage may occur. This would have enormous impact on the economy of Hong Kong.

Yours sincerely,

Ho Tung Shun

Ho Tung Shun





"Ho Wai"

23/03/2006 22:58

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勾，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。

__Ho Wai__ (署名) 啟

17 March 2006

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

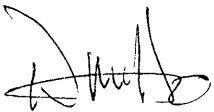
Dear Sir/Madam,

Comments on the Government's Consultation Paper on the Future Development of the Electricity Market in Hong Kong – Stage II Consultation

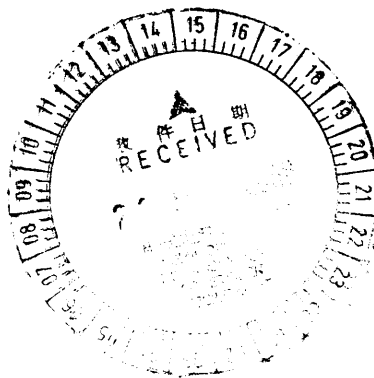
I'm a citizen of Hong Kong and live in Kowloon side and I have the following comments on the Government's Consultation Paper on the Future Development of the Electricity Market in Hong Kong – Stage II Consultation: -

1. I don't agree shorten the duration of the scheme of control regime period. I'd like maintaining the current practice.
2. Reliability of supply is most important to Hong Kong; we cannot suffer from any big supply loss. Government shall establish a system to encourage power companies to invest more to improve their system rather than discourage them by reducing their return.
3. It's the Government's responsibility to give a clear environmental policy to power companies to follow, I'd request government to provide clear instruction to power companies to replace coal fired plant to gas fired plant so as to improve the environment. As a citizen of Hong Kong, I don't mind to pay for quality service, environmental friendly and reliable power supply.

Yours truly,



Ho Wai Man





"HO Wai Yin"

29/03/2006 09:05

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勾，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；
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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。

_____ (署名) 啟

9 March 2006

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

Ho Wing Chiu

To whom it may concern,

Response to Stage 2 Consultation on Electricity Market Development after 2008

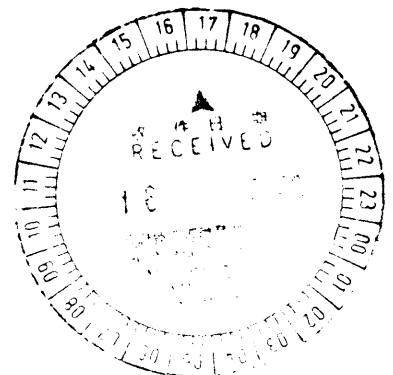
I read from the Consultation Paper that import from the Mainland can be a likely outcome. I think it is of strategic importance that HK can be self-reliant and independent in electricity supply. The Scheme of Control regulatory system can work smoothly in the past, I can't see why it shouldn't be continued in the future after 2008.

I would be grateful if the government can consider retaining the present regulatory arrangement after 2008.

Yours faithfully

Ho Wing Chiu

Ho Wing Chiu





"Ho-Yin Lee"

29/03/2006 17:02

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: [Possible SPAM] 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 and the low quality of the air in Hong Kong. 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.

Ho-Yin Lee



ho yin wong

31/03/2006 23:22

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Electricity comment stage II

Urgent Return Receipt

我認為應該維持現有的規管方式。

香港中環下亞厘畢道
中區政府合署中及東座二樓
經濟發展及勞工局

葉局長：

香港電力市場未來的發展（第二階段諮詢文件）

在第二階段諮詢文件中，閣下建議兩間電力公司的回報與他們的污染排放量能否達標掛鈎，本人覺得非常不公平。本港兩間電力公司已經受到港府的《空氣污染管制條例》所規管，如電力公司的排放量未能符合排放上限時，政府可向他們徵收罰款。若他們因此而被再扣減准許回報率，對他們便是雙重懲罰，並不公平。

香港的電力公司在裝置天然氣發電機及減排設施上，已比大陸優勝。要改善珠江三角洲地區的空气質素，重點應放在大陸方面而並非在香港。本人認為建議兩間電力公司的回報與他們的污染排放量能否達標掛鈎並不能有效地改善珠江三角洲地區的空气質素，也不能為香港帶來有建設性的好處。

Ho Yuk Kwong
二零零六年三月二十八日





"Ho Yun Ki"

22/03/2006 02:28

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

Ho Yun Ki



"hoa nguyen"

30/03/2006 10:35

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.

Sign: Hoa K. Nguyen_____



"Hodfords.com Ltd"

27/03/2006 15:07

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,

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: _____



"ywleeh"

18/03/2006 08:16

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: coal is dirty
 Urgent Return Receipt

Dear Sirs,

The Government must press the Power Plants of HK (that is CLP & HK Electric) to use less coal. Also build up facilities to reduce the emission of pollutants. They have the responsibility to do so.

We are living in Tung Chung, the air is extremely bad here during the winter. Yesterday the API was 150 in Tung Chung! The air has bad smell, very heavy smog. Should stop them to continue to pollute our air. We can't see the blue sky starting from Sep 2005 up to now, what a pity!

Of course, pollutants are blown from the Pearl River Delta as well, there are a number of Power Plants over there. HK Authorities should also urge them to do the same.

Rgs,
Hoffman Lee



Hoi Ching Au-Yeung

19/03/2006 16:12

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: 第二期諮詢文件的意見

Urgent Return Receipt

第二期諮詢文件的意見

本人同意貴局就未來香港電力市場發展的政策目標，將供電穩定性視為最重要的一環，但看完整份文件後，覺得文件內有些建議似乎很矛盾，並不清晰，有些地方需作出改善。

最明顯的是回報按不同資產分類而有所不同，將減排設備的回報訂為最低，而可再生能源則為最高，以我所知可再生能源能在香港廣泛應用的可能性很低，增設減排設備是最好而有效的方法去改善本港空氣質素，本人建議應劃一資產回報率，這做法簡單而又能平衡各方利益，達致理想效果。

25 March 2006

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

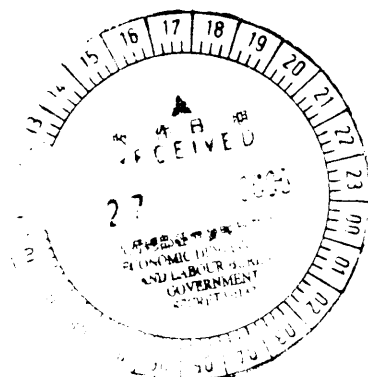
Dear Mr. Ip,

Future Development of the HK Electricity Market

I would like to share with you my views on some of the proposals in the captioned Consultation Paper.

I have no complaint at all about the existing level of electricity supply reliability and customer services. I also find the tariff very reasonable and affordable. Hence, I am gravely concerned with some of the changes proposed in your Paper. While these proposals (e.g. lower rate of permitted return to allow lower tariff and shorter regulatory period to allow flexibility) look good to the public on paper, what if they fail to attract the capital required for investing in the electricity supply industry? Are we ready for the dire consequences? Are we ready for power shortages and blackouts?

I would be grateful if you could take my views into consideration. I wish you all success in formulating the post-2008 regulatory regime for the electricity supply industry.



Yours sincerely,

Hoi Tung Wing



"Hoi Yee YIP"

29/03/2006 13:00

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.

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

Sign: _____



"Holger Gossmann"

26/03/2006 09:35

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.

Sign: Holger Gossmann



"holly"

21/03/2006 17:46

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,

holly



"Holly Au"

22/03/2006 11:35

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 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,

Holly Au



"Holly Bjarnason"

22/03/2006 05:29

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

To: Economic Development and Labour Bureau

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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,

Holly Bjarnason



"Holly Davis"

25/03/2006 12:09

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.

Holly Davis



"holuen"

21/03/2006 01:50

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

holuen



ABC ABC

21/03/2006 00:20

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Keep the current system
 Urgent Return Receipt

The proposed permitted return of 7-11% is too low and agreement period of 10 years is not long enough. It was because the power industry is capital intensive industry with long payback period. Furthermore, I can't understand how this rate of return of 7%-11% is calculated. I
It should also be noted that service life of major electricity supply equipment is tens of years while the assets once deployed in HK cannot be used elsewhere. The regulatory uncertainty bring by this proposal increase the risk for the investment in the power industry. This will make the investor unwilling to invest in HK's electricity market or will only want to recover their investment as soon as possible without a long term view in terms of planning and operation. This in turn make our electric system more risky and unreliable.
Lastly, varying return for different types of assets as set out in this proposal should be abandoned. It is very complex and administration cost will be significant but it cannot lead to environmental protection as the permitted return for emission reduction equipment is only 7%, the lowest in the proposed 7-11% rate of return.
Hon



"Hong Jing Ng"

29/03/2006 19:23

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勾，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。

Hong Jing Ng 啟



"Ka Lung Chan"

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

31/03/2006 16:31

Subject: Paper of Response to Consultation Paper on Future Development
of the Electricity Market in HK (Stage II Consultation) From
HKAEE

Urgent Return Receipt

Dear Sirs,

Attached please find a copy of Paper of Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong (Stage II Consultation) from the Hong Kong Association of Energy Engineers (HKAEE) for your consideration.

Should you have any questions, please feel free to contact us.

Best Rgds
K.L. Chan
Hon. Secretary
HKAEE
Tel :



Responses to Consult Paper on Ftr Dev of Elect Market HK_Stage II Consultation.doc

1) PREAMBLE

Further to the Hong Kong Association of Energy Engineers (HKAEE)'s views and comments on the Consultation Paper on Future Development of the Electricity Market in Hong Kong (Stage I Consultation) on April 2005, we are pleased to render our views and comments on the same Consultation Paper (Stage II Consultation) to facilitate the HKSAR Government to draw up the post-2008 regulatory arrangements of the electricity market.

Our views and comments will be focused on:

- (i) Policy Objective
- (ii) New Supply Sources
- (iii) Environmental Issues
- (iv) Renewable Energy
- (v) Increased Interconnection
- (vi) Economic Regulation
- (vii) Future Regulatory Regime

2) VIEWS AND COMMENTS

2.1 *Policy Objective*

We support to maintain Government's energy policy objective to ensure the public can enjoy reliable, safe and efficient electricity supply at reasonable prices while minimising environmental impact caused by the generation and use of electricity. We believe that a public consensus is already established of maintaining reliable and stable electricity supply that shall be of outmost importance to Hong Kong and this consensus should not be compromised by other issues in a well-established regulated electricity market.

2.2 *New Supply Sources*

According to the Consultation Paper, the current generation facilities of the two power companies are expected to be able to meet the local demand up to the end of this decade and even to meet the demand well in next decade by further developing the existing power plant sites. So, there shall be no local power shortage problem up to the next decade.

In fact, the introduction of new supply sources has been already in place. CLP has already established necessary networks and substations for importing electricity from

Daya Bay nuclear power station and Chonghwa pumped storage power station.

We suggest the objective and benefits to the public by further introducing new supply sources from the Mainland should be carefully studied, in particular on the effect of the power quality, technical constraints and the future control of environmental performance. Usually, a larger power network may have serious effect on our smaller electricity network. Subject to further consolidated study results of above, we suggest that the future regulatory arrangements shall at least include the technical requirements, minimum performance targets such as reliability level, environmental performance, etc and the control regimes for considering the application of grid access for new electricity suppliers.

The demarcation of responsibility between different stakeholders and penalty shall be well defined in order to protect the public interest. The future regulatory arrangements shall enable the regulator to have the authority to suspend or terminate the access right to the power grid if non-performance is happened.

2.3 *Environmental Issues*

It is worth to note that replacing the coal-fired units with gas fired combined cycle units is not merely an environmental issue. The replacement does not only involve overall environmental performance of power stations, but also the financial / economic issues as well as security of electricity supply. Owing to rising concern of environment, the price of natural gas has risen a lot and Mainland China has changed from a gas supplier to competitor to Hong Kong. Diversification of fuel mix on coal-fired, gas fired, nuclear power plant, etc for electricity supply ensures the stability in average electricity cost and security of supply. Relying on single fuel is not recommended and a fuel mix for electricity generation is suggested.

The power plant operation efficiency shall also be governed closely, as this would have a direct impact on air pollutants emission and let the public to know whether the power is produced cost effectively. The degree of cost effectiveness will in turn affect the power companies' investment to the asset and then the electricity tariff to the customers. We suggest the issue of power plant operation efficiency shall be further studied with benchmarking to other overseas power plant with similar scale to us. A minimum operation efficiency shall be set out in the future regulatory regime and the actual operation efficiency shall be made transparent to the public.

Apart from control on power generation side to conserve our environment by improving air quality, the other crucial way of minimizing the environmental impact is to encourage efficient use of energy. We suggest the Government should further reinforce the continuous implementation of Demand Side Management (DSM) programme by the two power companies in the future regulatory regime.

2.4 Application of Renewable Energy

HKAEE had provided our responses to the Document On Renewable Energy for Sustainable Development promulgated by the Government in May 2005. We suggest the future regulatory arrangements shall encompass the following elements with regard to the application of renewable energy in the future electricity market:-

- (i) It is suggested to incorporate a minimum Renewable Energy (RE) target rather than to cap to a fixed percentage, e.g. 1% - 2% of local power needs met by RE up to 2012 into the future the post-2008 regulatory arrangements in the future electricity market. The minimum target shall also be reviewed periodically, say in a 5-year term with the technology advancement and cost of RE from during the future agreement period.
- (ii) The Government shall provide financial incentives to the power companies to meet the RE target and the power companies shall make provisions to allow grid access for RE systems.
- (iii) Referring to the Paragraph 2.58 of the Consultation Paper, we do not agree allowing RE getting higher return, Generation Transmission Distribution gets lower, and Emission Reduction gets lowest. All these capital investments come from the same pool of the investment. If RE gets higher, this comes to a possibility that the power company will invest on something calls for higher capital cost generating less power but earning more. On the other hand, they are discouraged to invest on low return items like emission reduction facilities.
- (iv) The development plan of RE to meet the target shall be provided by the power companies and to be reviewed
- (v) The power companies are required to set up a development / research fund for developing the larger scale renewable energy generating facilities.

- (vi) The Government shall collaborate with the power companies to study the feasibility for including the building RE system into the DSM programme so as to better encourage the private organizations for adopting the RE application.

2.5 Increased Interconnection

The benefits which can be realised to the public through interconnection between CLP Power and HEC shall be further studied and presented in more details in order to formulate the appropriate direction on this matter in the future regulatory regime.

Following our views detailed in paragraph 2.2, we opine that it is not necessary at this moment to proceed the interconnection process with Guangdong Province.

2.6 Economic Regulation

Firstly, we agree to continue the economic regulation by means of bilateral agreement as this has been proven effective in providing safe and reliable power supply to the public. We also agree an annual basis tariff review shall be adopted.

The Rate of Return methodology is defined as "The revenue to be earned by a utility should be equal to the cost to supply electricity plus a fair return on the rate base".

There are two types of ROR system, The rate of return can be determined as a percentage of the company's assets (return on assets) or as a percentage of the shareholders equity (return on equity). For Hong Kong, ROR system return on assets is being used.

The asset based ROR system encourage the power companies to invest in and to maintain the power supply and distribution systems in order to ensure reliable and sufficient electricity supply under any foreseeable circumstances. Thus, the ROR should be financially and commercially viable. However, the existing permitted rate shall be lowered and flexible but it should be acceptable to all stake holders.

However, mechanisms should be introduced to prevent "over-investment". In this regard, we may impose a weighting factor on the fixed assets which are the basis of return. The weighting factor may be agreed capacity factors for the electricity generating, transmission and distribution facilities. This mechanism acts as an economic incentive to encourage the power companies to utilize their assets and

promote DSM to increase the efficiencies and effectiveness of their power supply systems.

2.7 *Future Regulatory Regime*

We suggest the future agreement shall be on a 10-year basis with an option to extend by 5 years. The option shall be exercised by the Government with due consideration of the results of 5-year term periodic review of the actual performance achievements in respect of reliability of power supply, environmental performance, extent of RE target has been met, service quality, power quality and the operational efficiency.

Furthermore, financial incentives shall not only be given to RE application, but also extend to cover the pollutants emission reduction, DSM programme implementation, etc to conserve our environment.

● 社會服務全為您 ●



● SOCIAL SERVICE IS OUR BUSINESS ●

香港基督教服務處
HONG KONG CHRISTIAN SERVICE

傳真

致：香港中環下亞厘畢道
中區政府合署中及東座二樓
經濟發展及勞工局

傳真 2868 4679

對「香港電力市場未來發展」
第二階段諮詢文件的意見

本服務處贊同政府以「確保公眾能夠以合理的價格，享用可靠、安全及有效率的能源供應，並致力將能源生產和使用對環境所造成的影響減至最低」作為電力市場未來發展的基本原則。

而文件亦提到可持續發展的重要性，這是十分值得欣賞的。不過，單靠訂立一個在 2012 年才以可再生能源提供微不足道的 1 - 2 % 的電力供應的目標，似乎對確保可持續發展是不足夠的。事實上，整個能源政策需考慮經濟、環境和社會三方面和代際之間的平衡發展，因此政府需重新檢視現時以經濟發展作為主導思想的做法，並增加對電力公司使用可再生能源的誘因。此外，政府亦應加強公眾教育，使市民及工商業機構更習慣採用可持續發展的生活和生產模式。

本服務處認為政府應盡快進行電力市場方面的可持續發展研究，而這研究應容讓市民的及早參與，研究結果及詳細內容亦應公開讓市民審閱。

另外，以電訊市場近年的變化為例，政府應盡快開放電網，引入新的競爭者，使消費者得益。

不過，在考慮引入國內電力或與廣東省聯網時，應顧及有關的電力公司在發電時是否能符合可持續發展和環保的原則。否則，由此而增加的產能可能反而帶來更大的珠三角空氣污染。

行政總裁

吳水麗

2006年3月30日

1 March 2006

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

Fax no. 28684679

Dear Mr. Ip,

Concerning on Government's Stage II Consultation on the post-2008 development of electricity market in Hong Kong, I have the following comments:

- 1) If the agreement is reduced from 15 years to 10 years, this may properly reduce the electricity company's intention to invest. They may prefer to purchase some low-graded machines, as there is only 10 years to run the business. In this case, reliability of electricity may be affected. I think that 15-year agreement is appropriate for such large capital investing companies.
- 2) It cost administrative efforts to define which type of assets as different type of asset has different return. It is quite unfair to have different return on renewable energy infrastructure and emission reduction facility as they relate to environmental matters. It may argue in defining which types of assets. Therefore, one type of assets should be defined.
- 3) The present rate of return of 13.5% to 15% is reasonable for the electricity companies to invest. My electricity charge only occupies about 1.7% of my income. If the rate of return is reduced from 7% to 11%, the electricity company may not eager to invest, thereby affecting the reliability of electricity. The electricity company may prefer to invest on those with higher return.

Thank you for your kind attention.

Yours sincerely,

Hong Kong Citizen



"Hong Kong Dolphinwatch
Ltd"

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 20:34

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: _Hong Kong Dolphinwatch Ltd._



"hkfort"
<hkfort@netvigator.com>

30/03/2006 12:35

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

Dear Sir,

Pls find one file attached.

Philip Wan
Executive Officer



HKFORT 06_Letter_Manifesto of Electricity supplya.doc



香港餐飲聯業協會（餐飲聯）

Hong Kong Federation of Restaurants & Related Trades (HK FORT)

辦公室地址：香港 銅鑼灣 謝菲道 509 號 美漢大廈 14 字樓 L 座

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經濟發展及勞工局

香港中環下亞厘畢道

中區政府合署中及東座二樓

E-mail and Mailing

2006 年 3 月 27 日

敬啓者：

香港電力市場未來的發展第二階段諮詢文件的意見

我們作為餐飲業界的代表，希望借此機會為業界表達我們對[香港電力市場未來的發展第二階段諮詢文件]的意見。

餐飲業界對電力供應的基本要求

- (1) 電力供應要充足可靠，安全穩定及高效率。

電力和餐飲業可以說得上是唇齒相依，沒有可靠和穩定的電力，就不可能建立一個良好的營商環境。香港辛苦建立的飲食和購物天堂的美譽，就會一一被破壞。

- (2) 能源價格合理，以及公平。

我們不希望因電力價格太高，影響業界的營運成本過高。如果太低，又會影響供電質素。所以能源價格一定要公平和合理。

- (3) 對環境所造成的影響減致最少。

大家辛勤工作，為的是要有一個好的生活環境。因此電力供應對環境所造成的影響，一定要減致最少。

現在開放電力市場不合時宜

開放電力市場相信是社會的大趨勢，但一定要等待所有條件成熟，才可以實行。不然的話，可能會重覆其他已開放市場所面對的問題，包括缺電及停電所造成嚴重經濟損失，對業界及市民的整體利益沒有好處。環顧現時香港和國內的情況，現在還未到達開放電力市場的時機；例如：

- 廣東省持續缺電、電網配套需要長時間才能完善
- 國內的技術、環保及安全標準 與香港還有一段距離，對供電可靠性和隱定性構成一定的影響。所以國內及香港必須在技術、環保及安全標準并軌後，才可以開放。
- 還有在缺乏周詳策略下引入新的電力供應商，將令電力行業無法有秩序地發展

1. 權責不清會妨礙電力基建投資及影響供電穩定。
2. 新的電力供應商只會選擇高利潤和大用電量的客戶。這樣會令全港一般的客戶蒙受損失，造成不公平的環境出現。

長遠和清晰的能源及環保政策

- 政府一定要有長遠和清晰的能源及環保政策，清楚定立能源發電組合和比例多少，以及時間表。使電力公司可以提早跟燃料供應商談判，爭取更好的能源價格，降低成本風險。
- 現時建議的管制協議有效期為 10 年，時間實在太短。一般電力行業規劃階段要 4 年時間，投產期要 3 年。投產後只剩下 3 年賺取回報，從生意角度，欠缺吸引力。我們不能將電力行業跟巴士和電訊行業相提並論。
- 為了鼓勵電力公司投資在更好的環保設備上，應該給于他們足夠的回報時間，同時允許適當的准許利潤。

香港是國際的大都會和中國的南大門。她亦都是全世界必到的旅遊城市。香港的美食天堂的美譽，一定要好好繼續保存，並發揚光大。隱定、安全、可靠、公平、合理、環保的電力供應不可缺少。希望政府考慮以上意見，與電力公司共同找出一個平衡點，繼續為香港的繁榮和安定作出最大努力。

此致

經濟發展及勞工局

伍得良

伍得良會長

香港餐飲聯業協會 上



HONG KONG GENERAL CHAMBER OF COMMERCE
香港總商會

Celebrating Our 145th Anniversary

香港總商會

HONG KONG GENERAL CHAMBER OF COMMERCE
Hong Kong General Chamber of Commerce
25 Market Street
4/F, Wheelock House, Hong Kong
Tel: +852 2522 1222
Fax: +852 2522 1244
Email: enquiry@hkgcc.org.hk
www.hkgcc.org.hk

March 31, 2006

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

Dear Stephen,

**Submission by the Hong Kong General Chamber of Commerce
On the Stage II Consultation Paper on the
Future Development of the Electricity Market in Hong Kong**

The Hong Kong General Chamber of Commerce strongly supports the Stage I Consultation conclusions, and overall Government policy, regarding the importance of ensuring that Hong Kong enjoys a reliable, safe and efficient electric power supply, and that such supply be provided at reasonable prices and with minimal environmental impact. We believe getting the right mix in prioritising these objectives is of primary importance.

One of the most important parts of this prioritisation, indeed probably the single driving factor, is pollution. We have no greater broad-based threat to our future prosperity, competitiveness and health than the quality of the air we breathe. We recognize that this consultation exercise is not about the environmental impact of electric power generation, but we feel we must seize every opportunity to drive home the main message of business and the community: The deteriorating environment is harming our businesses and our children. We must do it better, and must do it quickly.

We need a policy roadmap that actively encourages the power companies to undertake the necessary work to ensure that we both reduce our own pollution and continue to enjoy extremely reliable and safe electric power. We need an energy strategy for Hong Kong that considers a broad range of issues in multiple time frames, including regulatory structure, fuel mix, cross-border considerations and management of the transition from our current arrangements to the new model.

Having said that this consultation is not about pollution, and recognising further that it is also not about strategy, we do understand that it is about regulation. However, we feel all three should be more closely linked, particularly during the transition from one Scheme of Control to another. Moreover, we have the impression that the proposals are primarily aimed at reducing tariffs, which we do not believe is in line with the conclusions to the first stage consultation process. As noted in the June 2005 conclusions paper sent to the Legislative Council Panel on Economic Services,

- “. . . *reliable and safe supply was the consensus priority, . . .*”
- “*Some considered reasonable tariffs and minimising environmental impact important;*” and,
- “*Most of the respondents expressing views on this issue considered the current tariff level reasonable, and only a few held the opposite view.*”

Reliable, safe and cleaner power

Given the vital importance to our economy of ensuring that Hong Kong enjoys reliable and safe power supplies that minimize pollution, we firmly believe that safety, reliability and environmental considerations rate at the top of the priority list. Hong Kong currently enjoys one of the best power supply reliability records in the world, and does so at tariff rates that are *below* levels in Singapore, Japan, New York City and much of Europe. This is clearly a strategic advantage, and one that must be preserved. Our environmental impact, however, needs attention.

We are concerned that proposals in the Stage II Consultation Paper would not support future supply reliability, and may not address the community’s environmental concerns. The lack of long-term certainty in the regulatory parameters and in the expected rates of return must be addressed, as should the fuel mix and conservation incentives.

A second major concern is the environmental impact of generating power for Hong Kong. We use the phrase ‘*for Hong Kong*’ deliberately, to ensure there is no misunderstanding. Power generated outside the SAR, for use inside the SAR, has no less impact on the environment. Indeed, the reverse is very likely to be the case, and so some think nuclear power may be the best way to go forward in the long run, when weighed against cost, reliability, and environmental concerns. Others are very much against this idea because of the potential safety issues, although experiences in other world cities/developed countries suggest that many old and negative perceptions can be overcome.

Third, we feel there is not enough consideration as to how best to reduce demand. While we recognize that power companies earn profits from selling *more* power the community, and the environment, benefit from using *less* power. The single most powerful tool for reducing pollution is conservation, and we strongly urge that this aspect of our energy strategy be given much greater attention. Educating users as to the true cost of excessive consumption is an important first step. Incentivizing conservation and penalizing waste are valuable tools for changing users’ behaviour.

Immediate Concerns

In concert with environmental concerns, the top priority should be to ensure that Hong Kong enjoys a safe and extremely reliable supply of electric power. This is particularly important during the transition to the new Scheme of Control and the immediate aftermath (the next 3-5 years). Given the long lead times required to construct new generation facilities, other issues must be considered secondary during this period.

Yet, we find there are serious dangers to supply reliability on the horizon. In particular, we are alarmed that the multi-year planning and construction requirements for new and more environmentally friendly emissions control, fuel supply and power generation projects are not moving forward, due to regulatory uncertainty.

Over time, we may wish to remove coal from the mix of fuels we use to generate electric power in Hong Kong. However, any decision to eliminate this fuel needs to be very carefully thought through. Existing plants would need to be replaced over a planned phase-out period. New plants, perhaps nuclear or powered by more expensive and less readily available LNG, would need to be built. Long-term fuel supply contracts would have to be negotiated and fuel receiving terminals would need to be planned, approved and built. Tariffs would certainly rise. All of this will take many years to accomplish, and a huge amount of investment capital.

Power generation is a capital-intensive industry characterized by very long payback periods. We believe investment decisions made in good faith under existing regulations should be protected against future regulatory uncertainty, and that adequate rewards be available to those investing in the industry. As noted above, changing from the current mix of fuels to one that does not include coal is a very long term and costly proposition. Moreover, the cost and supply reserves for coal are known and attractive, as compared to LNG. There are cleaner ways of burning coal, but ensuring that investors are willing to take on such projects will require an acceptable ratio between risk and reward.

Medium-term Issues

In the process of addressing the most urgent immediate issues, we support a strong role in our energy strategy for encouraging and enforcing conservation, sustainable power generation and emissions controls. As in the case of safe and reliable power supply, a healthy and sustainable environment is a strategic necessity for our city, and one that does not receive adequate attention.

We firmly believe in the principles that the 'polluter pays' and that the 'user pays'. Both must be applied fairly if we are to make the changes that future generations require. Because of this, the proposal to reduce returns on investments in emission controls facilities strikes us as environmentally unsound. We are also concerned that existing proposals for retrofitting coal plants now in operation, with state-of-the-art emissions controls facilities, are being unnecessarily delayed.

Long-term Issues

Renewable energy: As should be the case for all segments of society, the business community strongly supports the concept of renewable energy as a component of a comprehensive sustainable development strategy. Hence, we find no reason to object to providing financial incentives to power companies to encourage greater use of renewable resources. Indeed, we

would support measures to promote greater conservation on the principle that using fewer resources of all kinds is environmentally and economically superior to using a better mix of renewable and non-renewable resources.

Mainland supplies: We also have no objection to the Government closely monitoring developments in the electricity market in Guangdong. However, in the event that such developments suggest any change to Hong Kong's own power market, we would urge caution and consultation, so as to ensure that our supply and environmental concerns are not compromised. This assurance would, we believe, take precedence over economic savings.

Grid access: The concept of grid access, as presented in the Stage II Consultation Paper, incorporates both new local supplies – which are defined as being from renewable energy sources – and supplies from the Mainland of China. We do not believe that the two should be linked, as the issues and regulatory regimes are very different.

Further, we would remind policymakers that the existing power grids are private property, and need to be respected as such. There are precedents (as in the telecommunications market) for broadening access to a monopoly-like distribution system, and so we anticipate that an agreeable solution will be found.

Finally, we note that the proposal for grid access includes the concept that “*Arrangements will have to be in place to ensure that consumers will not be made to bear such costs unduly.*” This, we believe, is a violation of the ‘user pays’ principle that is widely accepted in Hong Kong.

Interconnectivity: Given the track record of the two power companies in supplying electricity, we see no reason why greater interconnectivity should be a priority. However, we also have no objection to planning for greater interconnectivity, provided that the main priorities set out at the beginning of this submission remain paramount.

Economic regulations: We believe the economic regulations can be improved, but as power generation is a capital-intensive industry characterized by very long payback periods we would urge caution.

On the proposed shift from 13.5-15% to 7-11%, we do not have sufficient information – either on how the new figures were determined or on alternative formulae – on which to base a useful decision. We believe there is a misunderstanding, moreover, as to the difference between return on investment, return on equity and return on assets, and we believe the community should be better informed on this point.

We do note the difficulty in predicting interest rates over a long period, and the risk certainty required to make multi-decade investment decisions. As such, we would hope for a more imaginative solution, perhaps involving returns benchmarked to the cost of capital. This would eliminate the need to review the rate of return every five years (2.56 (b))

Regulatory instruments: In light of the very long planning and pay-back periods involved, we do not think it is useful to shorten the regulatory horizon from 15 years to 10. While we have no objection to annual audits of the financial and technical performance of the power

companies and periodic reviews of their future development plans, we find an annual tariff review and shortened regulatory timeframe to be somewhat inconsistent with the character of the business.

Return on investment: In the area of performance improvement, we strongly agree that incentives are the best means of encouraging power companies to improve their use of renewable energy and to achieve savings through conservation, operational efficiency, and service quality or emissions reductions. (2.45)

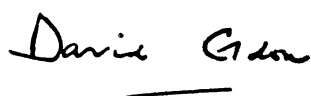
Where the proposals divert from these principles is in the requirement that savings be shared with users while at the same time proposing that the cost of emission reduction facilities not only be subject to the lowest rate of return, but that this rate be applied so as to avoid passing on costs to consumers (2.58c). The community must share the cost of reducing pollution, and the power companies must be encouraged to take actions that benefit the environment.

Similarly, we are quite surprised that the extra expense of achieving emissions reductions targets agreed upon between the HKSAR and Guangdong Provincial governments is specifically identified as an areas where the Government will “*explore options to avoid the costs of installing the facilities being passed onto consumers as far as possible*” (2.53). These targets were imposed on the Hong Kong power industry without consultation, and we believe users should share the cost of implementation. If it is a policy and societal objective to reduce emissions, which we believe to be the case, then the beneficiaries should share the cost.

In the absence of any information in the consultation document about the amount of excess investment over the last 15 years, and in the interest of ensuring continued reliable supply, we do not support extending the mechanism for discouraging excess investment to cover all investment.

I trust these comments will be useful in your policy deliberations.

Yours sincerely,

A handwritten signature in black ink that reads "David Eldon". The signature is written in a cursive style and is positioned above a short horizontal line.

David Eldon
Chairman

**Competition Policy for Hong Kong SAR
Response from Hong Kong Information Technology Federation
Government Working Group**

The Hong Kong Information Technology Federation (HKITF) is a non-profit association which has the objective of promoting IT business in Hong Kong. HKITF provides a forum for IT-related businesses in Hong Kong to work together, and also to network with international IT companies. Over the years, HKITF has developed into a dynamic and highly respected organization with over 300 members and works closely with the Government to develop Hong Kong's IT industry. In recent years, HKITF has advised the Government in detail on policy matters, including anti-spam, intellectual property rights and IT industry development.

Hong Kong has taken important steps to review its competition policy in relation to regulatory regimes developed around the world. We have received diverse views from members of HKITF on the two fundamental questions – whether we should have competition law in Hong Kong, and if we were to have such law, whether it should be cross-sector or sector specific. With this in mind, we would like to share our general views on this topic, and how we see competition law may impact the high technology sectors.

The Goals of Competition Law Policy and Enforcement

We believe that the goal of modern competition policy is to promote the interests of consumers, not the welfare of individual companies that are unable to effectively compete in the global marketplace. The policy should be designed to –

- protect free, fair and contestable markets rather than the welfare of any individual participant in the marketplace.
- generate greater output and variety of choices for consumers at steadily lower costs. Often, achieving this benefit for consumers requires that successful and innovative firms be allowed to grow and capture greater market share at the expense of less efficient firms that fail to innovate or invest in modernizing their infrastructure. Competition policy should not seek to pick winners and losers in this competition between companies, or seek to protect less efficient and less innovative firms from potential failure and exit from the market.
- focus on whether particular conduct is more likely, taking all factors into account, to promote long term efficiency and overall consumer welfare in the form of lower prices, increased output and innovation in products and services.
- be mindful of the nature of the so-called “dynamic” markets. Dynamic markets are often identified by rapid innovation, high sunk costs and low marginal costs, strong network effects, greater reliance on intangible rights (*e.g.*, patents or copyrights) than tangible assets (*e.g.*, warehouses and factories) and, most importantly, intense competition based more on product features than price. Competition in dynamic markets is often “winner-takes-all” in which firms rapidly obtain high market share but nonetheless continually face fierce competitive constraints from new entrants and disruptive innovations in related but distinct markets. Where markets are dynamic in this sense, it is critical that competition regulators intervene only where absolutely necessary and take care not to impose traditional notions of price and output competition on participants.

Issues of Particular Importance to High Technology Sectors

Following the principle that competition law in a dynamic market should protect the interests of consumers, not the less efficient firms that are unable to compete effectively in the market, HKITF would like to highlight below the relationship between intellectual property rights (IPR) and competition. This is particularly important to the high technology sectors as typically firms in this sector would invest in creation of IPRs and rely on the protection offered by IPRs.

- IPR protection encourages competition and innovation - IPRs, by their very nature, sometimes convey rights in their owners that grant some degree of exclusivity as to that right. However, an IPR does not necessarily convey market power. Even where a firm has obtained market power in a product protected by IPR, that is perfectly consistent with the policies and intent of the intellectual property statutes. Market power gained as a result of innovation should be regarded as lawful and beneficial. Competition laws should not call into question the protection afforded to IP rights, given the importance of innovation for economic development, and the shared policy objectives of IP laws and competition rules. The careful protection of IP rights will benefit consumers in the long run by increasing both competition and innovation.
- Respect IPR owner's exclusive rights - The exclusive right of use, including the right to preclude anyone else from using the property, is perhaps the most fundamental right conveyed under the IPR laws. At times, competitors may seek to have competition laws require mandatory licensing of IPRs, for obvious competitive reasons. Competition law policy should strongly discourage those attempts and avoid legislation that facilitates such theories in competitive markets (as opposed to state owned monopoly facilities that might not face any competition for legacy reasons). To the extent that constraints are needed on the exercise of IPRs, they are for the most part provided in the IPR statutes themselves (e.g., through the time limits imposed on patents). This is a sphere in which competition law rarely, if ever, should operate to weaken lawfully granted IPRs.
- Caution against intervention to limit the exercise of IPRs - It is especially important for Hong Kong to be particularly cautious in responding to calls for aggressive competition law intervention to limit the exercise of IPRs. Uncertainty as to when a company may be required to license its IPR will have a chilling effect on innovation, in particular in dynamic markets where firms invest large sunk costs in research and development and take on high risk—based on the expectation that they will be able to amortize the cost of failed efforts and recoup substantial profits on those risks that actually pay off. We definitely want to avoid sending the message to the market that lagging firms are taught that their path to success lies not through aggressive competition but aggressive lobbying of competition authorities.

Conclusion

We hope the above comments would assist the Government in the development of free, fair and contestable markets through wise and carefully selective intervention to prevent anticompetitive conduct while ensuring the long term welfare of Hong Kong consumers.



"hkce"

20/11/2006 14:44

To <competition@edlb.gov.hk>

cc

bcc

Subject Competition Policy-Opinions

Urgent

Return receipt

Sign

Encrypt

First, we refer to your letter on the above to most of the professional bodies and would like to ask your office to include our institution in this survey and for all future listing for consultation by sending to;

The Chairman

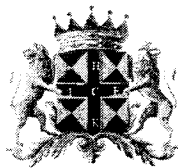
HK Institution of Chief Engineers (Facilities & Maintenance)

Rm 203, Two Grand tower, 625 Nathan Road, Mongkok, KLN.

We have been giving our expert opinions to the HKSAR for the past 7 years.

EurIng. Colin Kwan

Chairman



HONG KONG INSTITUTE OF CHIEF ENGINEERS

香港總工程師學會

Tuesday, November 21, 2006

The CEO
HKSAR
Chief Executive Office

Dear Sir,

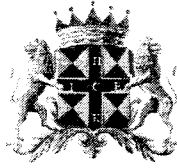
**RE: INTRODUCING THE HONG KONG INSTITUTION OF CHIEF ENGINEERS
(FACILITIES & MAINTENANCE)**

On behalf of the Hong Kong Institution of Chief Engineers (Facilities & Maintenance), we write to introduce ourselves to your organization and to your staff.

The Institution's predecessor was named as "The Association of Chief Engineers (Construction & Maintenance)", registered and established in 1999. The concept for the Association of Chief Engineers was first started in 1992 when a group of chief engineers working in hotels and property companies sat together to share their expertise and knowledge in the construction and maintenance fields. From then on, the idea grew to include a group of practical engineers and property managers in hotels, hospitals, estate and residential properties as well as commercial buildings.

We have now about 200 experienced members of various grades and all corporate members have academic qualifications of BEng degree or equivalent plus over 10 years of practical experience in the field. They all occupy a post of at least assistant or chief engineers or above. For the fellow grades, most of them will have a BEng plus an MSc degree or equivalent plus at least 15 years of practical experience and occupying a post of director of engineering, chief engineers or estate manager position etc.

Our expertise are in the projects, buildings and public facilities construction and maintenance including building and engineering, survey auditing, energy and maintenance engineering, project & construction management, engineering services testing and commissioning etc.



HONG KONG INSTITUTE OF CHIEF ENGINEERS

香港總工程師學會

We shall be pleased if our Institution can be invited to give our opinions or attend meetings in engineering facilities from the construction and maintenance point of view in order to share our expert knowledge. Our core competences are our expert practical experience and knowledge of our members and fellows with each has average years of 20 to 30 years solid experience including overseas, HK and China properties.

Should you require further information or inviting us for practical engineering opinions or expertise within our areas, please do not hesitate to contact us.

Thanks for your time and interest to read this introduction letter. Please also see our summary of our Institution profile and the attached application forms for membership should anyone find it interesting to join. Together, we wish to make our society and our country strong and prospering.

Yours truly,

EurIng. Colin Kwan (Chairman, PCEng.)
BSc(Eng), MBA, CEng, RPE,
FICchiefE, FCIBSE, MCIQB, MASI, MIMechE, MIEE, MIFireE,
For and on Behalf of the HKIChiefE



"Hong Kong International School"

29/03/2006 19:17

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勾，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。

_Hong Kong International School_____ (署名) 啟



"Hong Kong recycling
technology limited"

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 16:51

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:

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: _____



Tel No : 2358 6423
Fax No : 2358 1450

13 March 2006

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

Dear Sir/Madam,

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

The Hong Kong University of Science and Technology supports the Government Policy Objectives of reliable, safe and efficient energy supplies at reasonable prices, whilst minimizing environmental impact.

The University spends, on average, almost \$1,000,000 per week on energy, the vast majority of which is electricity supplied by CLP. In an environment of decreasing Government funding the University has appreciated the freezing of tariff rates over the past eight years, the financial rebates which it has received, but more importantly the extremely reliable supply conditions that have been experienced.

It is imperative that any future regulatory system sets as its top priority the reliability and safety issues. Experience in other jurisdictions, following de-regulation, shows that poorly conceived plans harm consumers and the economy. The electricity supply industry has long time horizons as capital projects take many years to bring on-line and fuel supply contracts are the subject of long term contracts. It is important that supply companies can enter into such arrangements in confidence and it is suggested that the Government proposal, of a 10-year regime, with an option to extend for a further 5 years (on unspecified conditions), is too short and consideration should be given to a 15 to 20 year fixed period. A high degree of certainty in the tariff setting mechanism during this period will lower commercial risk, a benefit that can be passed on to consumers.

It would appear that one of the major factors in achieving a reliable electricity supply at reasonable cost is to use diversified fuel sources. Establishing an energy policy that recognizes this and sets environmental standards on this basis is highly desirable. There is no reason why the existing coal-fired power stations should be phased out provided that they are equipped with state-of-the-art emission control. Power companies should be incentivised to install such equipment – the proposal to offer lower rates of return than for other capital investments is not supported.

We concur with the view that the future development of the electricity market in Hong Kong should not take account of the prospect of supply from the Mainland. Apart from a range of uncertainties surrounding the reliability of supply, there are two major environmental factors to be considered. First, such an arrangement may exacerbate the severe air pollution situation that exists in the Pearl River Delta as Hong Kong will have no control over the generation facilities and secondly, additional transmission lines and infrastructure will be required.

We welcome the intention to promote the use of renewable energy (RE) sources but question the seriousness of the intent when only 1-2% of supply will come from RE sources. It is acknowledged that energy from renewable resources is expensive but serious consideration should be given to Government facilitating and providing significant incentives to encourage a greater move in this direction.

Finally, the document seems to have one glaring omission. One of the most effective ways to reduce pollution and minimise environmental damage, both locally and globally, is to consume less energy. Instead of accepting that a growth in demand at a rate of 2% to 3% is inevitable, emphasis should be put on considering what could be done to stabilise or reduce demand.

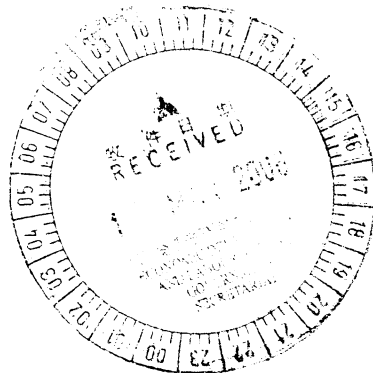
We hope that these comments will be favourably received and taken into consideration when developing an appropriate plan for the development of the electricity market in Hong Kong.

Yours faithfully,



Mike Hudson
Director of Estates Management

Encl.





"Hong Wing LEE"

20/03/2006 12:26

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,

Hong Wing LEE



HONG YU HOI

30/03/2006 10:46

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.

HONG YU HOI



"hongkong designworks
limited"

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 16:55

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.

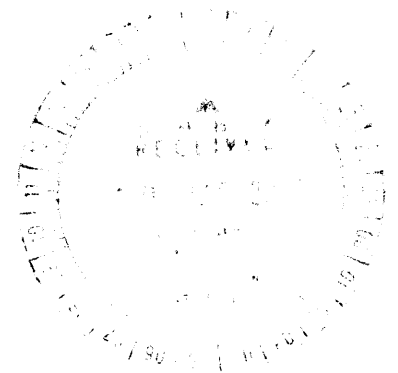
Sign: _____



Hongkong International Terminals Limited
Kwai Chung
Kwai Chung Road
Kwai Chung
New Territories
Hong Kong
Tel: (852) 2611 2222
Fax: (852) 2611 2223
E-mail: hit@hit.com.hk

March 28th, 2006

Economic Development Branch
Economic Development and Labour Bureau
Room 263, East Wing
Central Government Offices
Lower Albert Road
Hong Kong



Dear Sirs,

**Re: Stage II Consultation on
Electricity Scheme of Control Extension**

Hongkong International Terminals Limited is one of the largest consumers of electricity in Hong Kong. The HIT's Kwai Chung facilities use over HK\$50 million worth of power last year in handling a record container throughput of 6.8 million TEUs. HIT uses electricity in almost every aspect of its business and especially to operate its quay cranes, yard flood lighting, offices and repair facilities.

Naturally, we are very concerned with all the aspects of supply of electricity and especially its reliability, safety and cost. For over 30 years, our company has enjoyed continuous supply from China Light & Power, that is to say 24 hours a day, 365 days a year. There has not been one blackout throughout that whole period. Any break in the supply of electricity would have an immediate impact of delaying, or worse still, closing down operations and creating a backlog of ships and cargo. Immediately, shippers would divert all cargo to other South China Ports. The effect would be devastating for Hong Kong Port which is already facing migration of cargo handling due to the high cost of trucking containers to the HKSAR.

Like all companies HIT is concerned about the cost of the goods and services it purchases. Our procurement department goes to great lengths to ensure that HIT enjoys value for the money it spends. It follows that any reduction in costs would be most welcome. However, a reduction in the price of electricity would not be attractive if it was enjoyed at any risk of unreliability in supply.



Having read the EDLB's Consultative Papers on the Future Development of the Electricity Market in Hong Kong, I write to express HIT's concerns regarding government's proposals.

Slashing Rates of Return Will Jeopardise Reliability of Supply

It appears that rates of return have been arbitrarily reduced from a maximum of 13½% p.a. on assets to a range of 7% to 11%. In addition, a penalty of no return will be received on any assets deemed to be used to provide excess supply.

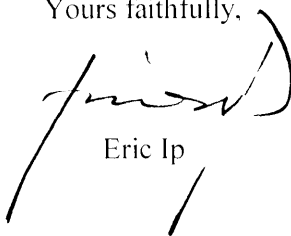
There is no reasoning or rationale given for the amount of this drastic reduction except that 40 of the 941 respondents (35% of 12% of 941 respondents) thought rates of return should be lowered with a few political parties and trade associations suggesting rates of return in a range of 6% to 10% p.a. No rationale was given. At these rates and with long term bond funding in US dollars attracting interest of around 6% p.a., there is little return left to justify long term investment in multi-billion dollars equipment. As a result, HIT has grave concerns that the proposed rates will act as a disincentive for the power companies to invest in long term assets for future generation of electricity. Consequently in say five to ten years time the probability of blackouts will become significant. I attach a few recent examples of blackouts around the world. In many cases, multiple suppliers and thin margins have caused cut backs in equipment updates leading to very expensive blackouts. The economic cost of the disruption caused by these events is measured in tens of billions of US dollars.

It would be reasonable and fair to obtain an independent professional assessment of the appropriate rate of return for such capital intensive long term investment risk rather than rely principally on the responses to a public appeal.

In summary, HIT has grave concerns about the effect EDLB's proposals will have on the reliability of electricity supply. HIT currently enjoys total reliability of supply at a reasonable price with excellent supplier service. HIT will not be grateful for a saving of a few million dollars a year if there is any chance of blackouts interrupting its business. Please would you reassess your proposals to accommodate our concerns.

I would welcome the opportunity to discuss this important issue with EDLB representative. Please contact me on 2619 7825.

Yours faithfully,



Eric Ip

Attachments:

1. World gripped by power blackout by BBC News
2. Blackout strikes Hsinchu science park (Financial Loss included) by Taipei Times
3. Special Report from The Economist on America's electricity crisis
4. PC memory prices soar: Blackout - contributing factors: a nationwide electricity grid blackout in Taiwan earlier this summer that caused plant shut-downs, a transition to higher-capacity chips, and increased demand because of higher-than-expected PC sales
5. A full official report of Hsinchu Science Park impact as a result of the power blackout (Chinese)

<http://news.bbc.co.uk/2/hi/3155379.stm>

BBC NEWS | Last Updated: Friday, 15 August, 2003, 19:39 GMT 20:39 UK

World gripped by power blackout

With millions of North Americans still reeling from the biggest electricity blackout in history, the accident is making headlines in the world media.



Reaction in countries around the globe ranges from gloating to sympathy and concern for the state of their own energy systems.

Some 30 million people have been affected

In France and Spain, the blackout became the top story on television, with correspondents describing "an eerie calm in the streets of Manhattan".

The Chinese Foreign Ministry deemed the news grim enough to express official sympathy with the people of the US and Canada, along with hopes of an "early recovery", the Chinese news agency Xinhua said.

In Russia, energy chief Anatoliy Chubays said that "the biggest accident in the history of world energy systems" could never have happened in his own country.

He could be excused a hint of smugness - Russia's united energy grid makes it possible to re-route electricity to regions whose power supplies have failed.

Mr Chubays ruled out terrorism as the possible cause of the blackout, but ordered security to be stepped up at key Russian power plants, just in case.

No guarantees

In Sweden, the spokesman for the national grid could offer no guarantees. The Swedish grid is closely linked to neighbouring Norway, Denmark, Finland, Germany and even Poland.

Although a blackout on the US scale was unlikely, a collapse of the Norwegian network, for instance, could well spill over into Sweden, the spokesman said.

In Taiwan, which suffered a nearly-total blackout in 1999 after a landslide destroyed an electricity transmission tower, the power company said the island's new electricity grid was still not immune to natural disasters.

Now I am sure it will take them years to fix the electricity in Iraq.

Iranian radio homed in on America's "technical and technological vulnerability" and fears of a possible terrorist involvement.

Baghdad power plant worker

The massive blackout has demonstrated that America's "excessive reliance on technology, both militarily and politically, is irrational and dangerous," the radio said.

TAIPEI TIMES

Blackout strikes Hsinchu Science Park -- yet again

<http://www.taipeitimes.com/News/front/archives/2000/12/26/67021/wiki>

By Patrick Kearns, Kevin Chen and Elaine Lee
STAFF REPORTERS

Tuesday, Dec 26, 2000

The nation's most important science park suffered another blow yesterday as a power outage plunged the high-tech center into darkness for the fourth time in less than two months.

According to Taiwan Power Company's (Taipower, 台電) Hsintao Regional Office, the Hsinchu Science-based Industrial Park (新竹科學園區) blackout occurred after a transformer operated by Macronix International (旺宏) failed. Taipower declined to provide further details.

The power outage -- which hit sectors one and three of the science park -- began at 6:34pm and lasted until power was restored by Taipower at 8:22pm.

The electricity failure disrupted production operations at eight of Taiwan's high-tech heavyweights including Taiwan Semiconductor Manufacturing Company (TSMC, 台積電), United Microelectronics Corporation (UMC, 聯電), Mosel Vitelic (茂矽), Winbond Electronics Corp (華邦), Macronix International (旺宏), Philips (菲立浦), ProMOS Technologies (茂德) and Acer Display. Five of UMC's science park fabs were reportedly affected by the shutdown.

While several firms in the park have back-up power supplies, it was unknown whether any were utilized during the outage.

During the same period, a fire also reportedly broke out at UMC's 8E fab and was contained by the company's internal firefighting team, according to television reports and newswire services.

But UMC, the world's second-largest made-to-order chip maker, denied the report, saying there was no fire.

Working a 24-hour, 365-day per year production schedule, the shutdown may prove costly for the semiconductor makers. Based on previous outages, preliminary estimates for the power outage have been put at NT\$300 million, according to the Central News Agency.

This is the fourth blackout and second fire in the science park since Nov. 2, when a fire at a transformer station disrupted power.

A stable power supply is important for semiconductor chip manufacturing because the production equipment is sensitive to power fluctuations.

Lost production time hurts not only local companies, but the worldwide supply chain as well. Taiwan is responsible for 10 percent of global semiconductor production, and the Hsinchu-based chipmakers account for 80 percent of the world's graphics chips and 15 percent of its memory chips.

The news does not bode well for Taiwan authorities, who are fighting a battle to keep the major high-tech players from moving abroad where the supply of electricity, water and labor are more stable.

Just last Friday Taipower officials unveiled a plan to improve and stabilize the science park's power supply.

Special Report from The Economist

America's electricity crisis

Bring me your powerless masses

Aug 21st 2003 | NEW YORK AND TORONTO
From *The Economist* print edition

With luck, the great American blackout could propel the country to a brighter energy future



AP

WHAT is the greatest technological advance of the past 100 years? That was the question considered recently by America's National Academy of Engineering. Some said the light bulb or the television; others the telephone, the computer or perhaps the internet. In fact, the experts picked an achievement without which those other marvels would be useless: North America's power grid.

The academy gushed that "widespread electrification gave us power for our cities, factories, farms, and homes—and forever changed our lives...from street lights to supercomputers, electric power makes our lives safer, healthier, and more convenient." Try telling that to the millions of people in the north-eastern United States and Canada who were plunged into darkness on August 14th, when the greatest engineering achievement of the 20th century suddenly fell apart.

In what seemed like an instant, street lights, lifts and air conditioners stopped working. As minutes grew to hours, it became clear that this was no blip. In Cleveland, Ohio, the sudden cut shut down pumping stations, leaving many without water. In Manhattan, several million people walked cheek-by-jowl for hours through dark streets and across packed bridges to get home. They were the lucky ones: others had to sleep in railway stations, on office chairs or even on the pavements. The blackout caused Ontario's 12m residents even more grief, for Toronto's subway trains were out of operation for the whole weekend after the blackout.

The good news is that this massive power cut resulted in very few injuries or deaths. If it had happened in winter, or on a much hotter day in summer, it might have been worse. It also did not provoke the sort of bloody rioting and looting that was seen in New York during the blackout of 1977. On the contrary, the much-maligned residents of that city proved—as they had after the attacks of September 11th 2001—to be calm, resourceful, patient and even selfless at times. Yet now that the electricity is back, those let down by the worst power failure in North American history are demanding answers.

This will not be easy, given the complexity of the electrical system. Getting to the bottom of things will require answers to three simple questions. What exactly happened? Why did it happen? And how can it be prevented in future? And answering these questions points to a troubling but inescapable conclusion: unlike other countries that are modernising their power industries successfully, America is muddling along with an approach to electricity reform that is deeply flawed. If future blackouts are to be avoided, it must fix these problems quickly and decisively.

Suddenly this summer

It might sound straightforward to work out what it was that shut down such a large swathe of the North American grid. Indeed, early on, plenty of explanations were touted: lightning strikes, trees bringing down power lines, a fire shutting down a power plant, control-room operators snoozing through alarm bells, even computer-virus attacks. George Bush and other American officials rushed to make clear that this was not a terrorist incident—though some fingers did point north.

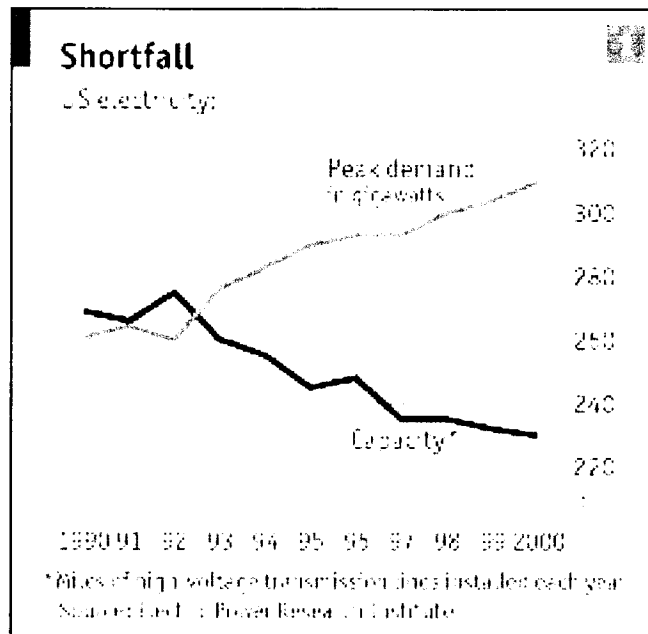
That is because few things move more seamlessly between America and Canada than electricity. Ontario is an integral part of the North American power grid (which is subdivided into two main, quasi-

independent grids serving the eastern and western halves of the continent, plus a third grid for Texas). When the blackout occurred, American generating stations were supplying about 7% of the electricity in Ontario. In the event, this amicable arrangement gave way to bitter rancour: Canadian officials talked of problems in America, while the Americans blamed Canada.

Actually, nobody had the facts necessary to make any confident claims at all. The leading theory now is that the blackout began with the sudden failure of several transmission lines in Ohio controlled by First Energy. For reasons that are not yet clear, the company was unable to contain the damage or, it is claimed, to warn neighbouring grid operators in time for them to take precautionary action. As a result, a little local difficulty cascaded into a regional problem and ultimately a national crisis, as one part of the grid after another automatically shut down to prevent the permanent damage that might result from a huge and unexpected surge in power.

It could take investigators weeks to finish their technical report on this blackout, but it does not need so long to answer the second question, why it happened. One possible explanation is that this was a freak occurrence; if that were true, there would be no reason to blame anybody and no reason to rethink basic assumptions about grid safety and reliability. If this were merely an electrical version of a storm of the century, it would be foolish to "goldplate" assets to prevent a repeat.

Sadly, the signs are that America's grid was ripe for a blackout. Peter Smits, head of the power-transmission division at ABB, a European engineering giant, insists that "this was not a once-in-100-years event." He points out that various parts of America's grid have seen smaller blackouts in recent years—something "that would not happen in Germany". Studies by industry associations, technical experts and America's Energy Department have all highlighted the fragile state of America's grid. Granger Morgan of Carnegie Mellon University goes further, concluding that "this blackout took 50m people by surprise, but for most folks that look at the grid the only surprise is that it didn't happen before."



The reason that the experts are not surprised is that they have seen the demands placed on America's grid grow rapidly, but have yet to see improvements in infrastructure to meet them (see chart 1). Was a lack of money to blame? After the blackout, several pundits claimed that it would cost \$50 billion or more to fix America's grid. Yet although that seems quite a lot, it is not when seen over a 30-year time horizon in an industry that takes \$300 billion a year in retail revenues in the United States alone. Transmission costs make up some 7% of the cost of delivered power, while generation makes up perhaps three-quarters. Shortage of money is not the real issue.

Another plausible explanation might be that the necessary technologies are not available. Yet a glance at the more reliable grid in Europe suggests this is not true. So does the fact that much of America's grid uses technology designed in the 1950s and 1960s. In fact, explains ABB's Mr Smits, there are plenty of modern technologies that would greatly improve the reliability of America's grid. He points to the example of high voltage direct-current cables, an innovative means of delivering electricity over long distances. China is using this technology to deliver the power generated at its Three Gorges dam to Shanghai; Brazil uses it to get Amazon power to São Paulo.

Yet consider the travails that ABB has met in America with this technology. The firm completed a project laying high-voltage cable from Connecticut to energy-starved Long Island, New York, a year ago. But objections from greens and bureaucratic delays stopped it from

becoming operational. When the lights went out on August 14th, Spencer Abraham, Mr Bush's energy secretary, ordered that the cable be activated immediately. "Without it," says Mr Smits, "I can say with confidence that Long Island would not have received power on August 15th." That sorry tale suggests that the real explanation for America's power woes lies in mucky politics.

Demonising deregulation

The way the country has deregulated power has left investors and utilities confused, with little incentive to invest in upgrading transmission. Paul Joskow, an economist at the Massachusetts Institute of Technology, says that "the wrangling between pro- and anti-competition forces, jurisdictional disputes between federal and state policymakers, and plenty of ignorance have led our electric-power system to become stuck somewhere between the old system of regulated monopoly and a new system that relies more on competitive power markets. If we remain stuck here, there will be much more trouble with electricity down the road."

That grim analysis suggests that the third question—how to prevent future blackouts?—is pressing. And to judge by the sound and fury coming from Washington, Ottawa and New York, politicians and utility bosses are taking it seriously. The North American Electricity Reliability Council, the group responsible for grid reliability, has a big investigation under way. Canada and the United States are co-operating on a joint one. And congressional staffers are tinkering with proposals in the big energy bill that both the House and Senate will take up after the August recess.

In the end, fixing the grid's problems will require Congress to fix America's energy laws in several ways. The most important is to enhance the role of the Federal Energy Regulatory Commission (FERC). America's federal system gives a lot of authority over the transmission and distribution system to states. Mr Joskow insists that the federal government "needs to be given primary regulatory and policy jurisdiction over the high-voltage transmission facilities owned by private, public and cooperative utilities", just as it has jurisdiction over interstate natural-gas pipelines. He also wants to see the crazy patchwork of local transmission operators consolidated into a few regional organisations.

Although the FERC deserves some blame for snoozing as power marketers such as Enron manipulated the wholesale market for power,

it has come roaring back to life under the leadership of Pat Wood. Mr Wood was appointed to the FERC by Mr Bush, whom he got to know when he was the top energy regulator in Texas. He has proposed changes to bolster the FERC and advance deregulation. He has put forward a promising if imperfect plan to clarify aspects of deregulation, and another to force the many grid companies to unite into a few, manageable regional giants. He is right to call for more federal control over power. But the administration is, for the moment, afraid to anger powerful and generous regional utility monopolies.

Asked about objections from states'- rights advocates, he defends his plans thus: "I'm from Texas, a great advocate of states' rights! Even so, I truly believe that more federal control makes sense. After all, if there's any commodity that deserves to be treated as interstate commerce—and therefore under federal jurisdiction—it has to be one that moves across state and even national boundaries at the speed of light."

That notion also points to the final area of hope for fixing the grid: technology. Once the disincentive to invest is removed, the industry seems sure to see a rash of innovation of the sort seen in telecoms after the break-up of AT&T. In particular, advances seem likely in two areas: upgrading the grid to expand capacity, and bypassing it with micropower plants that generate power close to consumers.



Regulating in the dark

Some worry that expanding the grid's capacity will mean laying more transmission lines. Actually, it need not. Thanks to advances in materials technologies and superconducting cables, more power can be shipped down the same rights of way if decades-old wire is simply replaced. Just as important is sophisticated new communications and monitoring hardware and software that will allow grid controllers to assess flows of power more easily.

Roger Anderson of Columbia University, whose warnings of this summer's impending power crisis went unheeded, hopes to build, with colleagues from Houston's Rice University, the "smart electric grid of the future" in Texas. He is not alone. T.J. Glauthier of E2I, a group affiliated with the Electric Power Research Institute (the research arm of the American power industry), wonders if the blackout could have been averted had First Energy had at its disposal powerful tools to analyse the grid's problems in real time. His group is working with Lucent and GE to develop the "open architecture for a self-healing, intelligent grid" equipped with microprocessors and sophisticated software for communications and control.

E2I and EPRI are also working with United Technologies to develop "plug and play" software that could make it as easy to connect a micropower plant to the grid as it is to connect a printer to a computer. That would do much to boost the fortunes of small, super-clean generators such as fuel cells and microturbines. Researchers at Carnegie Mellon have run elaborate simulations and tests, and have concluded that a system with more distributed generation would be more robust than today's grid.

If that sounds far-fetched, consider one last question: where was the safest place in New York during the worst blackout in American history? It may have been the middle of Central Park. That is because the police station in the park uses fuel cells. With the rest of the city in darkness, super-clean "micropower" plants carried on unaffected: New York's finest had all the power and light they needed. If only 1,000 such flowers were allowed to bloom, the world might shed a grid conceived long ago in favour of an energy internet worthy of the 21st century.

PC memory prices soar

By Brooke Crothers
Staff Writer, CNET News.com

Published: September 9, 1999, 2:20 PM PDT

<http://news.com.com/2100-1001-278066.html>

A confusing mix of facts and rumors is causing a steep hike in memory chip prices, bringing some needed relief to beleaguered manufacturers but threatening to put the brakes on falling PC prices.

Memory prices have surged 50 percent and more in various markets in the last week amid a swirl of rumors that the supply is beginning to shrink. The price of 64-megabit memory chips has jumped to as high as \$14 from \$8 in spot markets, sources said. In May, the same chips were selling for \$6.70, a record low.

Although the price hike is real, its cause is tough to pin down. Production problems at some manufacturers and cutbacks in memory module manufacturing are rumored to be the cause, according to some sources.

Other possible, more factual, contributing factors: a nationwide electricity grid blackout in Taiwan earlier this summer that caused plant shut-downs, a transition to higher-capacity chips, and increased demand because of higher-than-expected PC sales.

This week's spike follows a less dramatic, though fairly constant, rise in memory chip prices since June.

Kingston Technology, a major reseller of modules and chips, confirmed this trend. "This is happening on a daily basis now," said Lisa Dreher, a memory product manager at Kingston.

The prices for DRAM, the most widely used memory chip in personal computers, have been on a roller coaster ride over the last 12 months.

After years of a price free-fall and periods when manufacturers sold products below costs, memory prices began to inch up in the

beginning of 1999. In March, Micron Technology reported a jump in earnings for the first time in a year, partly due to a rise in prices. Then, prices plunged again in May on the spot market.

Since June prices have been on a slow but steady upward climb, punctuated by a surge in the last week.

The hikes, if sustained, have numerous implications. Because memory is one of the main components in a PC, price spikes can drive up PC prices. Moreover, memory manufacturers, which had been in the doldrums, could see a rise in earnings and stock prices. Micron Technology's stock, for example, has more than doubled in value since June and is now trading at about 75.

At Crucial Technology, the memory chip selling arm of Micron, prices for 64-megabit chips have leaped from \$8 last week to between \$12 and \$14, according to a corporate sales representative. The 64-megabit variety of DRAM is used to build modules, which are the small circuit boards used for connecting memory to a PC. These modules are typically sold in quantities of 32, 64, and 128 megabytes (MB). In short, megabit refers to the chips themselves and megabytes, the modules.

The big why

Kingston's Dreher cited a July electrical grid blackout in Taiwan as a factor in the price rise, stating that supply was affected by as much as two percent at that time. She also said that severe supply constraints in the market for flash memory--used in cell phones and digital cameras--is causing a scare in the DRAM segment.

Other manufacturers and analysts contacted today also noted the blackout and a rumor that Micron was having trouble with production yields as it transitions from 64-megabit to 128-megabit chips, causing panic buying.

Micron disagrees. "We're not having production yield problems," said Bob Clark of Micron's investor relations department. But he added that "when you move from one [production] process to another it takes time for the next process to mature. This is not at all unusual."

Micron is one of largest memory chip manufacturers in the world and the largest in the United States. It bought Texas Instrument's memory chip business last year.

"This kind of rumor causes a mentality which increases buying," said to Mark Guidici, an analyst at Dataquest. "Such and such company is maxed [on production]. This gets spread around the purchasing community."

He had also heard that Micron had "lost some yield" but countered by noting that there is a significant gap between market perception and reality in one sense. Because makers are doubling the "bit per [semiconductor] wafer" by moving from 64-megabit to 128-megabit chips, there will be more than enough supply to meet demand. "Demand cannot keep up with the multiplying bit supply," he said.

He also cautioned that the spot market, where this pricing action occurs, "is the most volatile electronics market around." Indeed, Micron said that this kind of price volatility is not representative of the entire market. About 70 percent of its business is in the contract market--where the largest PC makers buy--and only 30 percent in the spot market, according to Clark. "The contract market lags the spot market and there isn't as much volume," he said

On the other hand, Dataquest's Guidici said that PC sales are going "to be very strong in the third quarter" when the numbers come out, meaning more demand for memory chips. This is on top of statements from Toshiba, one of the top five makers worldwide, that it would cut back drastically on the production of 64-megabit chips and from IBM about getting out of the commercial DRAM business.

Hitachi is representative of a trend at Japanese makers to get of out of the mainstream 64-megabit DRAM market. Though the company still makes the 64-megabit variety, it is concentrating on pricey 256-megabit chips that are used in servers, according to Ron Bechtolds, a vice president at Hitachi Semiconductor America.

He has also seen a number of factors conspiring to drive up prices of the standard 64-megabit chips. Just as memory makers began to transition from 64-megabit to 128-megabit, low-cost PC makers upped the amount of memory standard in PCs from 32MB to 64MB, crimping

supply, he said. "You have 2X demand now. A desire [by PC makers] to build inventory, plus the existing demand that's out there already."

新竹科學園區跳電事件訪查報告

壹、前言

新竹科學園區八十九年十至十二月間計發生一〇次電力事故，其中造成五次廠家停電事故，前四次分別為八十九年十月十日下午二時四分之龍明、龍山二次變電所停電事故、八十九年十一月二日下午二時三十六分及下午四時二十四分之龍松一次配電變電所停電事故、八十九年十一月十七日下午七時二十二分之龍松華三線停電事故。八十九年十二月二十五日，園區旺宏電子公司二廠內一六萬一仟伏特匯流排比壓器發生故障，導致台電公司由龍松變電所輸送園區三期「C」廠之一六萬一仟伏特特高壓線（華三線）再次跳脫，造成聯電、旺宏二廠等十家工廠斷電，並發生嚴重損失。

院長於十二月二十七日本院第二七一五次會議指示：新竹科學園區再度因台電龍松變電所供應的龍松華三線輸電線路跳脫，波及園區數十家廠商，無法順利生產，造成嚴重損失。為昭公信，請經濟部能源委員會會同本院研考會，於二週內查明跳電原因公諸社會，並研提檢討報告，相關失職人員並應予嚴懲。本會隨即於十二月二十八日派員會同經濟部

能源委員會、國營事業管理委員會及台電公司有關人員，前往台電公司新桃供電區營運處、科學園區管理局及旺宏電子公司等實地瞭解後，研提本訪查報告。

貳、主要發現

一、新竹科學園區電力供需分析

(一) 電力供輸現況

新竹科學園區分三期開發，主要由峨眉超高壓變電所及通霄電廠供應電力（既有供電系統如圖一）。第一期於六十九年開發，面積三〇二公頃，主要為一萬一仟伏特配電用戶，由龍明和龍山二次變電所及龍秀一次變電所配電變壓器供電。第二期於七十五年開發，面積為七八公頃，其中一萬一仟伏特配電用戶，仍由龍明、龍山二次變電所及龍秀一次變電所配電變壓器供電；另六萬九仟伏特特高壓用戶，由龍秀一次變電所經已完成之第一、第二環路地下電纜供電。第三期於七十一年開發，面積二二五公頃，其中二萬二仟伏特配電用戶由龍松一次配電變電所供電；另六萬一仟伏

特特高壓用戶，因供電需求時程急迫，採由龍松一次配電變電所一六萬一仟伏特匯流排經由臨時架空線路供電（如圖二）。

（二）電力供需分析

台電公司目前對科學園區電力供電能力，以八十九年為例，配電系統方面，供電為六二萬仟伏特安培；六萬九仟伏特系統方面，供電為三八萬仟伏特安培；一六萬一仟伏特系統方面，則為二八萬仟伏特安培，總供電能力為一二八萬仟伏特安培。有關科學園區電力需求部分，配電系統方面為二八萬仟瓦，六萬九仟伏特系統方面為二一萬仟瓦，一六萬一仟伏特系統方面為二六萬仟瓦，總計電力需求為七五萬仟瓦。就科學園區電力供需而言，台電公司供電能力為一二八萬仟伏特安培，遠大於園區七五萬仟瓦之需求。根據台電公司所提供的推估資料，未來五年內電力供應均能滿足科學園區廠商的電力需求（詳如附表）。惟目前龍明、龍山、龍秀及龍松變電所變壓器容量已漸感不足，如龍山一次配電變電所變壓器容量僅一二萬五仟伏特安培；龍明一次配電變電所變壓器容量僅七萬五千伏特安培，台電公司已規劃陸續擴

充容量及新建變電所，以因應供電需求的成長。

此外，二期園區輸配電系統於一六萬一仟伏特地下環路管線工程尚未完工前，係採架空線方式輸送電力，較易發生意外事故，例如十一月十七日龍松華三線停電事故，即因受金屬彩帶，被強風吹至飛利浦電子公司廠內自用變電站，纏繞於十六萬一仟伏特引接線上，引起龍松華三線跳脫停電。諸如：雷擊、颱風襲毀、白蟻啃食及吊車吊架碰觸等其他事件，均易造成架空線受外力而跳電情形。

二、歷次跳電原因分析

新竹科學園區從八十九年十月至十二月，主要發生五次跳電事故，分別為八十九年十月十日、十一月二日（發生二次）、十一月十七日及十二月二十五日，謹分述如次：

（一）一〇一〇龍明、龍山二次變電所停電事故

八十九年十月十日下午二時四分，新竹龍明紅線 R、S、T 三相及龍明、龍山線 S 相六萬九仟伏特地下電纜，於二〇號連接站第二、三號人孔間，遭台精科技公司鑽掘工程損壞，造成龍明二次變電所停電十七分鐘；龍山二次變電所停電一小時十三分鐘。

(二) 一一〇二龍松一次配電變電所停電事故

八十九年十一月二日下午二時三十六分，因一六萬一仟伏特側R相調壓線圈外層及一相調壓線圈之出口線短路，致四號主變壓器故障，造成聯五、遠東金士頓、友訊科技、科管局抽水站、聯華測試廠、聯友光電三廠、禾翔一廠、揚智科技等八家大用戶受到四號主變壓器故障影響，停電五十一分鐘。此外，下午四時二十四分，因二號匯流排分段氣室間隔器（三相共槽式 SPACER）損壞，致一六萬一仟伏特氣封開關設備二號匯流排故障，造成聯友光電三廠、光磊、華治科技、元太科技、中強光電、聯亞氣體、漢光、嘉晶、太巨、博達公司停電十分鐘。

(三) 一一一七龍松華三線停電事故

八十九年十一月十七日下午七時二十二分，因聯友光電公司新廠房落成慶祝用金屬彩帶，被強風吹至飛利浦電子公司廠內自用變電站，纏繞於一六萬一仟伏特引接線上，引起龍松華三線跳脫停電，造成飛利浦、聯華電子、華邦三廠、旺宏二廠、茂德、達碁、合泰（聯電 OE 廠）、新宇（汽電共生廠供應力晶、世大兩家用戶）等公司停電一小時五十七分鐘。

(四) 一二三五龍松華三線停電事故

八十九年十二月二十五日下午六時三十四分，旺宏電子公司二廠內一六萬一仟伏特匯流排比壓器故障，同時該廠一六一〇號斷路器未能適時保護跳脫，導致台電公司由龍松變電所輸送科學園區三期一〇廠之一六萬一仟伏特特高壓線(華三線)跳脫，造成飛利浦、聯華電子、華邦三廠、旺宏二廠、茂德、達碁、合泰(聯電 RE 廠)、新宇(汽電共生廠供應力晶、世大兩家用戶)等公司停電一小時四十八分鐘。

三、台電公司因應措施

(一) 一〇一〇龍明、龍山二次變電所跳電事故

本次停電事故係因台精科技公司鑽掘工程損壞地下電纜，造成龍明、龍山二次變電所跳脫停電，台電公司已採取下列改善措施：

1 加強巡視，發現管線附近有施工現象，應主動告知現場施工負責人管線位置，提醒注意，並豎立標示牌。

2 管路設於非道路範圍(如綠帶或私有道路)每隔五〇公尺，埋設水泥標示樁。

3 行文各縣市政府、工業區管理局，若埋設基樁或鑽探等深鑽工程，應先明挖二點

五公尺深再行鑽探工作，以免挖斷地下纜線。

4 行文科學園區管理局，區內廠商若有開挖或鑽探工程時，施工前應先知會台電公司營運處，以便會勘、標記管路位置。

(二) 一一〇二龍松一次配電變電所跳電事故

當日計發生二次停電事故，第一次係因一六萬一仟伏特側 R 相調壓線圈外層及 1 相調壓線圈之出口線短路，致四號主變壓器故障；第二次係因二號匯流排分段氣室間隔器（三相共槽式 SPACER）損壞，致一六萬一仟伏特氣封開關設備二號匯流排故障，造成龍松一次配電變電所二次跳脫停電，台電公司已採取下列改善措施：

- 1 對高科技工業園區等特別重要地區之輸電設備，採用更高可靠度標準之設備。
- 2 新竹科學園區內各變電所變壓器將裝設氣體分析裝置，以儘早發現異常現象。
- 3 召集製造廠家研討強化大項設備之製程、檢驗、運輸查核及施工品質等問題。
- 4 會同廠家檢討改善各種氣封開關設備之可靠性。
- 5 經十二月二十九日協調龍松華三線十家大用戶之結果，同意九十年元月二十日停電檢修龍松 D/S 氣封開關設備氣室損壞部份，以恢復較可靠之雙匯流排供電。

(三) 一一一七龍松華三線跳電事故

該次停電事故係因金屬彩帶，被強風吹至飛利浦電子公司廠內自用變電站，纏繞於一六萬一仟伏特引接線上，引起龍松華三線跳脫停電，台電公司已採取下列改善措施：

- 1 相關線路絕緣礙子，部分改為聚合礙子，部分噴高壓絕緣塗料。鹽霧害間期（九月、三月）加強絕緣礙子觀測及活線礙子清掃。
- 2 結合學者專家、科學園區同業工會水電供應委員會及科學園區管理局，共同組成園區輸配電安全檢查小組，會同檢查台電變電所、輸配電線路及用戶端受電室，以期發掘園區供電潛在問題，以避免發生意外事故。
- 3 函請科學園區管理局於重要輸電線路設備易受碰撞區域，裝設警告標誌，俾相關業主於施工時特別留意上方之輸電線。
- 4 建議飛利浦電子公司廠內鐵構上之礙子（屬於用戶設備）儘早停電更換，以防事故再度發生。

(四) 一二二五龍松華三線跳電事故

本次停電係因旺宏電子公司二廠內一六萬一仟伏特匯流排比壓器故障，同時該廠一六一〇號斷路器未能適時保護跳脫，引起龍松華三線跳脫停電，台電公司已採取下列改善措施：

- 1 協調龍松華三線各大用戶，儘速改接永久地下電纜線路及龍松變電所一六萬一仟伏特匯流排修復工程停電，以降低日後再發生停電之風險。
- 2 籲請科學園區各公司確實執行用電設備定期檢查及維護工作。

參、檢討分析

一、竹科二期一六萬一仟伏特（161KV）環路工程

（一）第一環路 161KV 線地下電纜管路工程

1 台電公司初期規劃二期一六萬一仟伏特地下環路工程，係由龍松一次配電變電所 161KV 匯流排引出以環路供電，經科學園區管理局於八十四年八月九日召開三期正式供電協調會議，台電公司隨於同月間開始辦理竹科三期第一環路設計施工。基於環路管路工程設計必須待用戶位置確定後，方能確認該環路路徑規劃是否完整，惟「飛利浦」及

「嘉畜」兩家公司對是否加入環路遲未定案，雖經多方協商後，「飛利浦」公司遲至八十六年九月二十五日表明不加入環路，第一環路規模及路徑始告確定。

2 「飛利浦」廠請示總公司確定不加入環路之後，台電公司隨後於八十七年二月七日完成設計，同年四月十四日發包決標（註：採先發包後申請路證方式），原預計八十八年六月可完成管路工程，同年十二月辦理電纜接線及終端處理工作後，再依廠家安排停電時間辦理廠家加入系統作業。

3 台電公司八十七年四月十四日管路工程發包後，向科學園區管理局申請核發路證（施工許可）時，配合園區管理局禁止要道明挖而變更為推管工法，各工程路段均須變更設計為推管；其後，因人孔遇地下結構物變更設計、配合路徑廠家廠房工程時程（如：「合泰」廠裝機）、管理局要求協調廠家同意於其土地施工（如：「系通」廠及「華邦」）等因素，均須分段向園區管理局申請核發路證；此外，政府採購法公布實施後，辦理變更增減明細應向經濟部報備，至八十九年十一月十日始完成全部管路工程。

4 第一環路全部管路工程雖已完工，惟辦理後續佈設電纜及廠家接入系統作業，須賴各相關廠家願意配合停工，始能完成接電及形成環路。其間，雖經科學園區管理局及台電

公司多次協調，廠商因考量本身生產週期、交貨訂單、及歲修期程等因素，終究無法達成協議配合停電，迄今尚無法施設。所幸，目前已協調廠家同意於九十年三月三十一日配合停電。

5 綜合前述分析，科學園區管理局、台電公司及廠家用戶等三者均有待檢討之處。首先，科學園區管理局基於避免施工期間造成園區交通堵塞之考量，要求台電公司必須於路口改採推進工法施工，經台電多次配合變更設計後，始核發各路段之路證（即挖路許可），致台電施工單位耗費相當行政期程；其次，台電公司因應政府採購法公布實施，辦理向經濟部報備相關變更明細事項，亦耗費相當行政期程；此外，相關廠家用戶對應否加入環路系統遲遲未決，亦造成台電公司確認規劃環路路徑之困難；廠家僅考量本身立場未能儘速達成協議配合停電，導致台電於管路工程完工後，卻無法儘速完成環路接線及供電，以及園區管理局未能就協調用戶停電發揮管理協調機制，確有改善之處。

(11) 第一環路 161KV 線地下電纜管路工程

1 本工程亦係經科學園區管理局於八十四年八月九日召開二期正式供電協調會議，決議採

環路供電為原則，經各用戶陸續提出用電申請後，至八十七年八月十四日始確定環路廠家及引供電力順序。

2 本環路確定用戶順序後，台電公司因設計人力不足報准採委外設計辦理，八十七年十二月三十日完成決標，顧問公司隨即辦理規劃作業；惟因部分路段地下管路過於複雜，為確保順利施工，至八十八年十一月二十四日始設計定案，八十九年二月十五日完成管路工程決標（註：採先發包後申請路證方式）。原估計九十年二月可完成管路工程，九十年八月完成電纜接線及終端處理工作，再依廠家安排停電時間，辦理廠家加入系統作業，完成第二環路供電。

3 全線管路工程八十九年二月十五日發包後，其中，龍松至台積電十二廠管路工程已於同年十一月十五日完工，台積十二廠預計九十年一月可加入系統；惟新竹市政府所轄之寶山路段，台電雖向該府申請核發路證，但均未獲得同意；另外，台電公司於八十九年三月十日向科學園區管理局申請力行路段之路證，園區管理局經四月二十五日會勘後，僅同意台電必須取得用戶廠家書面同意配合施工，始准核發路證及辦理後續施工。

4 台電公司隨後自八十九年四月份起，陸續協調「新宇汽電共生廠」、「達基科技」、「世大半導體」、「台積八廠」等廠家用戶，並依廠家要求辦理試挖或變更設計後，十二月十三日取得廠家用戶書面同意後，園區管理局於同月二十六日始核發路證。台電公司目前已著手辦理變更設計議價作業，希望九十年八月間能完成管路工程，惟新竹市若仍未核發所轄寶山路段之路證，屆時，勢必無法如期完工並辦理環路供電作業。

5 綜合前述分析，科學園區管理局、台電公司及新竹市政府等均有其待檢討之處。首先，科學園區管理局受理台電申請挖路許可路證時，卻要求台電公司自行協調廠家用戶取得書面同意配合施工後，始同意核發挖路路證，致使台電耗費近十一個月協調時間；其次，台電公司雖基於內部設計人力不足採辦理委外設計，然卻耗費近十一個月，始完成設計工作，作業期程過於冗長；新竹市政府遲未核發台電公司申請寶山路段之路證，對本環路施工均造成不利影響。

二、跳電事故相關責任部分

(一) 一〇一〇龍明、龍山二次變電所停電事故

1 該次停電事故係肇因於「台精科技」廠辦理擴建工程，施行基樁鑽孔作業時，鑽損 M2

至M3人孔間送電中地下電纜線，因而引發停電事故。

2 經科學園區管理局事後發現，「台精科技」廠辦理擴建工程時，並未依據「科學園區挖掘地面（道路）埋設管線暨重機械進出管理要點」，向園區管理局事先提出挖掘申請；此外，亦未知會台電派員配合輔導施工，致發生本次停電事故，並導致台電及園區廠家之損失。

3 綜合前述事證，「台精科技」確有明顯過失，科學園區管理局雖依前項規定勒令該公司停工並處罰，然現行「科學園區挖掘地面（道路）埋設管線暨重機械進出管理要點」並未明列具體處罰金額，無法對廠家產生嚇阻效果，對園區供電穩定及安全，易造成潛在的危險。

(一) 一一〇二龍松一次配電變電所停電事故

1 台電龍松一次配電變電所停電事故計有二處，一為龍松 161KV 特側 R 相調壓線圈外層及 T 相調壓線圈之出口線短路，致四號主變壓器發生故障；二為其二號匯流排分段室間隔離器（三相共槽式 SPACER）受損。前述四號主變壓器係由國內長興公司承製，而二號匯流排則由國內中興電工公司承製，目前已由台電公司、長興公司及中興電工公司鑑定原

因。

2 台電龍松一次配電變電所雖目前仍能繼續運作，然對於三期園區的供電穩定及安全，確有潛在危險性，應儘早修護更換損壞設備。有鑒於此，台電公司已洽請中興電工公司儘速備料進行復舊修復，該公司並於十一月十五日完成備料，卻經四次協調會議仍無法取得廠家用戶同意停電，致遲遲無法進行修復作業。

3 本案顯示園區管理局協調管理之功能尚待加強，園區廠家用戶對供電安全應優於生產排定期程，亦缺乏正確認知。

(三) 一一一七龍松華三線停電事故

1 該次事故係聯友光電公司新廠落成慶祝用金屬彩帶，被強風吹至飛利浦公司廠內自用變電站，纏繞在 161KV 引接線，引起龍松華三線跳脫停電。

2 本案顯示科學園區管理局對園區廠家相關活動的安全管理工作，尚有檢討的必要。

(四) 一二二五龍松華三線停電事故

1 該次事故係三期園區旺宏電子公司二廠內 161KV 匯流排比壓器故障，該廠斷路器異常未適時保護跳脫，引發龍松變電所龍松華三線跳脫停電，造成十家用戶停電。

2 園區管理局、台電公司及旺宏電子公司事後勘查現場，仍無法完成鑑定該廠比壓器之故障原因。經查該比壓器係由德國 ABB 公司提供，八十九年四月間園區華邦三廠及中國大陸上海某廠所發生之電力事故，三者事故情形非常相似，且均屬同一型號之比壓器。

3 綜合本案，科學園區管理局及台電公司應儘速知會園區廠家用戶，就其他廠家有無使用 ABB 公司同一型號之比壓器者，進行清查及必要的再檢測工作，以防範未然。

肆、建議事項

一、建議本院國科會應督促科學園區管理局發揮協調管理之功能，有效協助台電公司及園區廠商用戶就電力供應相關事宜取得共識，俾加速環路管路工程、電纜佈設及後續環路連接工作。

二、建議經濟部、本院國科會應儘速協調新竹市政府就所轄寶山路段，同意核發台電公司挖路許可，俾利園區二期第二環路工程能如期完工，讓廠家用戶均能享有環路供電的安全保障。此外，新竹至龍松 161KV 輸電及竹園超高壓變電所新建輸配電工程等案件，亦應持續協調解決。

三、經濟部應督促台電公司趕辦二期第一環路 161KV 線地下電纜管路工程，以期今年夏季供電高峰來臨前，提升園區電力供輸的安全度，消弭潛在的供電危險因子，俾園區廠家能夠減少不必要的停電損失。

四、新竹科學園區一旦發生停電事故，常因責任歸屬引發爭端，建議科學園區管理局、台電公司及園區廠家研擬推派專業公正人士，成立類似停電事故諮詢及鑑定委員會，釐清停電事故責任，並妥善處理事件爭議。

五、科學園區電力供應及事業廢棄物處理益形重要，建議本院國科會就竹科四期園區引進汽電共生或事業廢棄物處理高科技廠家之可行性，儘速進行研究評估。

六、對於輸配線工程延誤及近幾次停電事故涉及相關人員疏失部分，建議由經濟部、本院國科會本於職責逕處。



"Hope Ngo"

23/03/2006 17:44

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: Hope Ngo



KWHoraceCheng

12/12/2006 11:57

To: edb@edlb.gov.hk
cc:
Subject: On Competition Policy

Der the correspondence,

The basic marketing competition is based on the 4P of marketing matrix: Price, Products (including services), Place and Promotion. Competition Policy should be protecting innocent and reducing immoral activities according to social moral.

Attached is the German view on this issue, which is much thorough in this topic.
(This document was found in <http://www.antitrust.de/articlesandreports>)

Regards,
Horace

The 1999 Amendments to the German Act Against Restraints of Competition by Joachim Rudo, Attorney-at-Law, Berlin

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I. Introduction

The sixth major revision of the German Act Against Restraints of Competition (Gesetz gegen Wettbewerbsbeschränkungen or „GWB“¹) was enacted in May 1998 and entered into force in January 1999. One of the main objectives of the revision is the harmonization with EU competition law. Over the last years, the influence of EU law on Member States' laws has grown steadily, especially in the area of competition law. It has been argued that equal opportunities for all competitors in the EU single market could not be provided as long as structural and substantive differences between German and EU antitrust law remain. German industry criticized perceived competitive disadvantages vis-à-vis foreign companies. To bring GWB into line with EU law standards, (a) prohibitions on cartels, the abuse of a market-dominating position, and recommendations were explicitly introduced; (b) a supplementing general exemption was added in § 7 GWB; (c) all covered mergers are now subject to pre-merger-notification; and (d) the definition of mergers was harmonized through the introduction of the „acquisition of control“ in § 37 (1) No. 2 GWB. In the main investigation procedure, not only prohibitions, but also clearances of mergers, are subject to publication and explanation.

However, unlike Article 85 (1) of the EEC Treaty, German competition law will continue to distinguish between horizontal and vertical restraints. While horizontal restraints are generally prohibited by § 1 GWB and can be exempted according to §§ 2 through 8 GWB, vertical restraints in the form of exclusive dealing agreements are in general subject to supervision of the cartel authorities (§ 16), and „only“ contractual restrictions on a party's freedom to determine prices or contractual terms concluded with third parties are directly prohibited by law.

II. Horizontal Restraints

The prohibition of concerted practices, found in § 25 of the old version of the GWB (o.v.), has been incorporated in § 1 in order to follow the wording of Art. 85 (1) EEC Treaty. Like Art. 85 (1) EEC Treaty, § 1 GWB is now a „real“ prohibition. Therefore, already the conclusion of a cartel agreement, and not only the performance of the cartel agreement, is now prohibited. Until these amendments, only the disregard of the ineffectiveness of the agreement or resolution was prohibited under § 38 (1) No. 1 GWB o.v. The amended § 1 GWB prohibits „agreements between undertakings, decisions by associations of undertakings and concerted practices which have as their

object or effect the prevention, restriction or distortion of competition."

Substantive as well as procedural requirements continue to differ in the exemption systems of German and EU law. While EU law has a general provision in Art. 85 (3) EEC Treaty, German law relied on precise exclusive exemptions in §§ 2 through 8 GWB. The GWB as amended combines both models by keeping the revised exemptions in §§ 2 through 6 GWB and § 8 GWB and enacting a general exemption in § 7 GWB similar to Art. 85 (3) EEC Treaty. The amendments strengthen the tendency to require the Federal Cartel Office (FCO)⁴ to review every single exemption from § 1 GWB individually. In contrast, Art. 85 (3) EEC Treaty exempts special agreements from the application of Art. 85 (1) EEC Treaty by law through block exemptions⁵.

Different categories of cartel exemptions remain largely unaltered in substance, with minor procedural changes: (a) agreements for uniform application of standards or types (Normen- und Typenkartelle, § 2 (1) GWB); (b) agreements for uniform application of general terms of business, delivery and payment (Konditionenkartelle, § 2 (2) GWB); (c) specialization cartels (Spezialisierungskartelle, § 3 GWB); (d) efficiency-promoting agreements between small and medium enterprises (Mittelstandskartelle, § 4 GWB); (e) purchasing cartels (Einkaufsgemeinschaften, § 4 (2) GWB); (f) rationalization cartels (Rationalisierungskartelle, § 5 GWB); and (g) structural crisis or recession cartels (Strukturkrisenkartelle, § 6 GWB).

The exemptions for rebate cartels (§ 3 GWB o.v.), export cartels (§ 6 GWB o.v.) and import cartels (§ 7 GWB o.v.) have been repealed. In practice, neither rebate cartels (§ 3 GWB) nor import cartels (§ 7 GWB) were important in the last years. According to the legislative comments, the exemption for export cartels (§ 6 GWB o.v.) has been abolished due to worldwide efforts to combat cross-border restraints on competition. However, at the same time, the „long-arm-statute" of § 98 (2) sentence 2 GWB (o.v.) that had widened the scope of the GWB to apply to „pure" German export cartels, thereby enabling monitoring of German pure export cartels through a notification requirement, has been abolished as well. Thus, the control of German-based export cartels, as well as the opportunity to pursue pure German export cartels, has been abandoned. With regard to exports to EU Member States, which account for more than half of German exports, the exemption was meaningless due to the prevailing prohibition in Art. 85 (1) EC Treaty.

In 1999, a general cartel exemption was enacted in § 7 GWB after the model of Art. 85 (3) EEC Treaty. Agreements or decisions which contribute to improving the development, production, distribution, procurement, recycling or waste disposal of goods, while allowing consumers a fair share of the resulting benefit, can be exempted from § 1 GWB. The exemption requires that the improvement cannot be achieved by other means, the improvement is adequate in relation to the restraint of competition connected with it, and the restraint of competition does not lead to the creation or strengthening of a market-dominating position. However, according to § 2 GWB, agreements and decisions whose object is the rationalization of economic activities by specialization or by other means, or whose object is the joint purchase of goods or commercial services or which deal with the uniform application of terms of business, do not fall under § 7 GWB. They can only be exempted from § 1 GWB by application of § 2 (2) GWB and §§ 3 through 5 GWB. The requirement of „promoting technical or economic progress", which is subject to Art. 85 (3) EEC Treaty, has not been incorporated in § 7 GWB; thereby the legislature expressly wanted to exclude any attempt to override competition considerations by industrial policy goals or public interest considerations. Nevertheless, § 7 GWB allows the cartel authorities as well as enterprises more flexibility to adapt to different market conditions and developments. In addition, this provision provides exemptions for areas such as banking or insurance which were formerly subject to industry exemptions.

Procedurally, German cartel exemptions can be divided into three categories. First, the cartel

exemptions in §§ 2 through 4 (1) GWB are governed by § 9 GWB (Widerspruchskartelle). They require notification and become effective if the cartel authority does not object within three months, § 9 (3) GWB. Second, agreements mentioned in §§ 5 through 8 GWB require express approval from the cartel authority according to § 10 GWB (Erlaubniskartelle). The third exemption category is purchasing cartels intended to increase the competitiveness of small or medium-sized enterprises, § 4 (2) GWB. They require notification and become effective without approval of the cartel authority if a complete notification is filed, § 9 (4) GWB. Purchasing cartels are no longer automatically defined to be outside the scope of § 1 GWB without notification.

III. Vertical Restraints

Resale price maintenance and agreements restricting a party's freedom to set the trade terms were declared null and void under the old § 15 GWB. The new § 14 GWB, like Art. 85 (1) EEC Treaty, prohibits such agreements. The nullity of those agreements now follows from general civil law rules, § 134 of the German Civil Code.

The exemption for books and other publications remained for reasons of cultural policy mainly unaltered and is now found in § 15 GWB.

Restrictive licenses concerning intellectual property rights (§ 17 GWB) or know-how (§ 18 GWB) are increasingly subject only to prevailing EU competition law with its detailed block exemptions, and therefore had few importance for the FCO practice in recent years. These provisions have been partly adapted to EU law.

Concerning vertical restraints other than resale price maintenance, the supervisory powers of the cartel authorities in § 18 GWB o.v. have been simplified and incorporated in § 16 GWB. The cartel authority may declare agreements between enterprises for the sale of goods or commercial services to be void and forbid the implementation of new, similar agreements, insofar as the agreements impose on one of the parties (1) restrictions as to its freedom to use the supplied goods, other goods or commercial services, (2) restrictions as to the purchase of other goods or commercial services from, or their sale to, third parties, (3) restrictions as to the sale of the supplied goods to third parties, or (4) an obligation to accept goods or commercial services not related to the subject-matter of the agreements by their nature or trade customs. Furthermore, a decision of the cartel authority requires that such restrictions substantially impair competition in the market for these or other goods or commercial services. Section 16 GWB is not directly enforceable by private parties but lies within the discretion of the cartel authorities. Therefore, tying arrangements and other vertical restraints are not prohibited per se. However, they may fall under § 19 or § 20 GWB if exercised by market-dominating enterprises. Also, if they have an effect on trade between Member States, they may fall under Articles 85, 86 EEC Treaty.

Section 22 (1) GWB prohibits recommendations, e.g. suggested retail prices, which, through uniform conduct, circumvent prohibitions laid down in the GWB or decisions taken by cartel authorities pursuant to the GWB. Section 22 (2) and (3) GWB exempt several types of recommendations. Section 23 GWB exempts non-binding price recommendations issued by an enterprise for the resale of its branded goods, if the goods are in price competition with similar goods of other manufacturers. Those recommendations have to be expressly designated as non-binding, and economic, social or other pressure may not be exerted to enforce them.

The prohibition on boycotts and refusals to deal, and other prohibitions of unilateral acts irrespective of market power, were integrated into § 21 GWB. Section 21 (2) and (3) GWB prohibit different kinds of coercion of other enterprises, especially to threaten or cause harm, or to promise

or grant advantages, to other enterprises for the purpose of inducing them to adopt conduct which the GWB prohibits from being the subject-matter of a contractual commitment.

IV. Market Dominating Enterprises

The GWB does not contain a provision applying to monopolization. However, the merger control rules govern the creation or strengthening of a market-dominating position, and § 19 GWB prohibits the abuse of an existing market-dominating position.

In contrast to § 22 GWB of the old version, which enabled the cartel authorities to take appropriate remedial measures, an abuse of a market-dominating position is now directly prohibited under § 19 (1) GWB, as is the case in Art. 86 EEC Treaty. Private parties can enforce this prohibition directly through damage claims and injunctive relief according to § 33 GWB. Under the old version of the GWB, they had to wait for a decision from the cartel authorities. Also, under the former law, administrative fines (Bußgelder) could only be levied after an enterprise had disregarded a decision of the cartel authority.

In contrast to European competition law, German law provides an explicit definition of market domination. An enterprise is market-dominating if it has no competitor or is not exposed to any substantial competition (§ 19 (2) No. 1 GWB), or if it has a paramount market position in relation to its competitors (§ 19 (2) No. 2 GWB). For this purpose, its share of the market, its financial strength, its access to the supply or sales markets, its links with other enterprises, the existence of legal or actual barriers to the market entry of other enterprises, its ability to switch its supply or its demand to other goods or commercial services, as well as the ability of the opposite side of the market to deal with other enterprises shall in particular be taken into account. In addition, the 1999 amendment requires consideration of „the actual or potential competition by undertakings located inside or outside the area in which the GWB applies". Thus, the legislature intends to make clear that for the purpose of defining market domination, the market conditions within the relevant international market shall be considered irrespective of the question of the applicability of the GWB to markets outside its scope⁶.

Any enterprise with a market share of at least one-third for a particular type of good or commercial service is presumed to be market-dominating. Also, if two or three enterprises have a combined market share of 50 percent or over, or five or less enterprises have a combined market share of two-thirds or over, they are presumed to be market-dominating, § 19 (3) GWB. Under the presumption for market-dominating enterprises, the turnover requirements subject to § 22 GWB o.v. were deleted.

Section 19 (4) GWB provides examples of abuses of a market-dominating position. An abuse occurs, for instance, if the enterprise demands consideration or other business terms that deviate from those which would result in all probability if effective competition existed, or if it demands less favorable consideration or other business terms than are demanded from similar buyers on comparable markets by the market-dominating enterprise, unless there is a factual justification for such differentiation (§ 19 (4) No. 2 and No. 3 GWB).

With the sixth revision the essential facilities doctrine was implemented in the GWB. After developing the doctrine in US in *United States v. Terminal Railroad Association*⁷, the essential facilities doctrine was used in EC competition law⁸. Since there are specific competition law provisions in, specially in the field of Telecommunications, § 19 (4) No. 4 GWB is only a subsidiary norm. How the relationship between the general competition law of the GWB and the specific competition law will show the practice of the FCO and the courts. According to § 19 (4)

No.4 GWB an abuse is present in particular, if a dominating the market enterprise as providers or supplier of a certain type of goods or commercial performances refuses to grant another enterprise against appropriate payment access to the own networks or other infrastructure facilities if it is not possible for the other enterprise for legal or actual reasons without the sharing, on pre or stored market than competitors of the dominating the market enterprise to become active; this does not apply, if the dominating the market enterprise prove that the sharing for conditioned or other reasons is not possible or not reasonable. The FCO and the courts will have to balance competition v. property (it should be mentioned that the essential facilities doctrine as applied in Europe is broader than the one in the US. In this respect it is somehow misleading to speak of the essential facilities doctrine; Germany will develop an own form of the essential facilities doctrine).

The problematic relationship between specific competition law and general competition law becomes specially obvious in the case of GWB and TKG 9. Section 2 (3) TKG states that the TKG shall not affect provisions of the GWB. On the other hand the legislative materials of the TKG show that the TKG is meant to be the more specific law when it comes to competition questions compared with GWB. The question of subsidiary has sever consequences for institutional questions: the GWB institutional authority is the FCO, the institutional authority of the TKG is the Regulatory Authority for Telecommunications and Posts (RATP) which operates in the jurisdictional area of the Ministry of Economy¹⁰.

The prohibitions of discrimination and hindrance (§ 26 GWB o.v.) remained mainly unaltered and are now in § 20 GWB. According to § 20 (1) through (3) GWB, market-dominating enterprises, cartels exempted under §§ 2 through 8 GWB, and enterprises binding their resale prices according to the exemptions in §§ 15, 28 (2), 29 (2) and 30 (1) GWB, shall not unfairly hinder, directly or indirectly, another enterprise in business activities which are usually open to similar enterprises, nor in the absence of facts justifying such differentiation, treat such enterprise directly or indirectly in a manner different from the manner of treatment accorded to similar enterprises.

Section 20 (1) GWB also applies to enterprises and associations of enterprises, insofar as small or medium-sized enterprises acting as suppliers or purchasers of certain types of goods or commercial services depend on them to such an extent that sufficient and reasonable possibilities of dealing with other enterprises do not exist (§ 20 (2) sentence 1 GWB). A supplier of a certain type of goods or commercial services is presumed to depend on a purchaser, if, in addition to the price reductions or other considerations customary in the trade, the purchaser regularly receives special benefits not granted to similar purchasers (§ 20 (2) sentence 2 GWB).

Those enterprises and associations are also prohibited from using their market position to cause other enterprises in business activities to accord them preferential terms in the absence of facts justifying such terms, § 20 (3) GWB.

According to § 20 (4) sentence 1 GWB, enterprises having superior market power in relation to small and medium-sized competitors must not use their market power to unfairly hinder those competitors either directly or indirectly. In particular, the 1999 amendments added a provision (sentence 2) naming the sale of goods or services below original cost price or purchase price (Verkauf unter Einstandspreis), if it does not occur only occasionally, and in the absence of justifying facts. This amendment constitutes a further legislative attempt to protect small and medium-sized retailers against their large competitors in what is deemed to be a highly concentrated market. It remains to be seen if the difficulties in defining „original cost price or purchase price" can be overcome; also, criticisms have been raised concerning a „price control" effect created by this provision.

V. Exempted Areas

Following the privatization of a number of key industries such as energy, telecommunications and transport in recent years, the broad general exemptions for special industries in §§ 99 et seq. of the old GWB have been mainly repealed. For purposes of harmonization with EU law, they have been replaced by rules which in principle require single decisions of the cartel authority. For instance, § 29 (1) GWB requires from agreements in the bank and insurance sector an express application for a single exemption from the prohibition of cartels (§ 1 GWB) in accordance with §§ 2 through 8 GWB. Also, exemptions from resale price maintenance prohibitions (§ 14 GWB) and the prohibition of certain recommendations (§ 22 GWB) are, in general, subject to single decisions of the cartel authority, § 29 (1) GWB.

Also, the former broad exemptions for agreements for the supply of electricity or gas (§ 103 GWB o.v.) have been abolished, in connection with the new Energy Act of 1998 11.

Following a FCO decision, several judgments, and political discussions concerning the joint marketing of television rights by German professional soccer teams, another exemption from § 1 GWB was added in § 31 GWB exempting joint marketing of broadcasting rights through sports associations, provided that these sports associations, in accordance with their sociopolitical responsibility, are also obliged to promote youth and amateur sports, which has to be shown by an adequate participation in the proceeds. However, the EC Commission also initiated an investigation into the joint marketing of broadcasting rights within the German Soccer League (Bundesliga) under Art. 85 EEC Treaty. The results of this exemption might be restricted since an EC Commission decision, a German court decision in a private case or even a FCO decision¹² finding a violation of Art. 85 (1) EEC Treaty prevails over the exemption provided in § 31 GWB.

VI. Merger Control

Merger control is the area where the revisions mainly took place¹³. An amendment introduced a compulsory pre-merger notification for all mergers subject to the GWB. Until 1998, with several exceptions and modifications, mergers with more than DM 500 million required notification only after completion. Pre-merger notification was compulsory if one concerned enterprise had turnover of at least DM 2 billion, or two concerned enterprises recorded individual turnovers of DM 1 billion or more (§ 24a (1) GWB o.v.).

Under current law, both groups of mergers are treated equally. A proposed merger requires advance notification, if, during the completed business year preceding the merger, the participating enterprises together recorded a turnover of at least DM 1 billion (§ 35 (1) No. 1 GWB), and if at least one enterprise concerned recorded domestic turnover of at least DM 50 million (§ 35 (1) No. 2 GWB). Merger control does not apply if an enterprise that is not a controlled enterprise and in the last completed business year recorded a turnover of less than DM 20 million, affiliates itself to another enterprise (§ 35 (2) No.1 GWB). This prerequisite has been lowered from DM 50 million to DM 20 million. The application of the merger rules is also excluded insofar as a market is affected in which goods or commercial services have been supplied for at least five years, and the market in the last calendar year had a turnover of less than DM 30 million (§ 35 (2) No.2 GWB, „Bagatellmarktklausel“). This prerequisite has been increased from DM 10 million, thereby eliminating more cases deemed to be a „trifle“ for merger control. It is expected that approximately two thirds of merger cases will no longer be subject to the notification requirement due to the increases in turnover thresholds triggering German merger control.

Also, in many cases, the European Merger Control Regulation 14 prevails, if the combined aggregate world-wide turnover of all enterprises concerned is more than ECU 5 billion and, in

addition, the aggregate Community-wide turnover of each of at least two of the enterprises concerned is more than ECU 250 million, unless each of the enterprises concerned achieves more than two-thirds of its aggregate Community-wide turnover within one and the same Member State. In 1997, Art. 1 (3) of the European Merger Control Regulation was amended to extend the scope of Community merger control to concentrations with a significant impact in several Member States and to extend the „one-stop shop" system to particular mergers where the aggregate world-wide turnover of the enterprises concerned is more than ECU 2.5 billion¹⁵. Mergers which fall under the EU Merger Control Regulation are not subject to German merger control, § 35 (3) GWB.

Section 36 (2) GWB includes a now common „connection provision" (Verbundklausel) for the purpose of turnover calculation as well as for the determination of a market-dominating position in terms of market shares. If one of the participating enterprises is a controlled or controlling enterprise or an affiliated company, the enterprises linked in this manner are regarded as a single enterprise for the calculation of turnovers as well as market shares. If several enterprises, as a result of an agreement or otherwise, act together in such a way that they jointly are able to exercise a controlling influence on a participating enterprise, each of them is regarded as a controlling enterprise. Therefore, the market shares as well as the turnovers of the controlling enterprises have to be taken into account. The terms „controlled enterprise", „controlling enterprise" and „affiliated enterprise" (Konzernunternehmen) are defined in Sections 17 and 18 of the Joint Stock Companies Act. The special rules for the calculation of turnovers and market shares remain mainly unaltered and are now subject to § 38 GWB.

Section 37 GWB governs the definition of mergers. The system of different explicit definitions has been shortened and partly adapted to EU Merger Control. § 37 (1) No. 1 GWB concerns the acquisition of all or a substantial part of the assets of another enterprise and remains almost unaltered.

In No. 2, the term „acquisition of control" has been introduced. In accordance with Art. 3 EU Merger Control Regulation, control requires that one or more undertakings acquire direct or indirect control of the whole or parts of one or more other undertakings. Control shall be constituted by rights, contracts or any other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, in particular by ownership or the right to use all or part of the assets of an undertaking (§ 37 (1) GWB) a), or by rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking (b). According to the Commission decisions involving EU law, „acquisition of control" shall include not only majority holdings, but also minority interests if the owner of the shares holds a secure majority in shareholders' meetings. „Acquisition of control" shall also cover cases which were formerly subject to § 23 (2) No. 3, 4 and 5 GWB o.v. This amendment combines the flexible approach of EU merger control with the fixed merger definitions of German law.

No. 3 continues to cover the acquisition of shares in another enterprise, provided the shares alone or together with other shares already held by the acquiring enterprise amount to 50 percent (a) or 25 percent (b) of the capital or voting rights of the other enterprise. The shares held by the acquiring enterprise shall also include the shares held by another enterprise on behalf of these enterprises, and, if the owner of the enterprise is a sole proprietor, any other shares belonging to the owner. If several enterprises simultaneously or successively acquire shares in another enterprise to the extent mentioned above, this is also deemed a merger of the participating enterprises (joint venture) with regard to the markets in which the other enterprise operates.

The controversial provision of „competitively significant influence", which was enacted in 1989 in order to cover attempts to circumvent merger control, e.g. acquisition of 24.9 percent of the shares,

was transferred to § 37 (1) sentence 4 GWB. It concerns „any other combination of enterprises insofar as the combination enables one or several enterprises to exercise directly or indirectly a competitively significant influence on another enterprise.”

Note that the fulfillment of each single merger provision is regarded as a separate merger and therefore subject to the notification requirement and the corresponding administrative fines for failing to notify (§ 81 (1) No.7 GWB). Therefore, if an enterprise acquires at first 25 percent, gains a stable actual majority of voting rights in the shareholders’ meeting one year later (acquisition of control), and another year later acquires shares amounting to 51 percent, the FCO must be notified of each of these acquisitions.

If it is likely that a market-dominating position will be created or strengthened as a result of a merger, the FCO has to prohibit the merger, unless the participating enterprises prove that the merger will also lead to improvements in the conditions of competition and that these improvements will outweigh the disadvantages of market domination (§ 36 GWB). A market-dominating position is defined in § 19 GWB. Therefore, the market share-related presumptions in § 19 (3) GWB are important.

Major changes took place in the merger control procedure, which is divided into a preliminary examination within one month, and a main examination within four months (Hauptprüfverfahren). According to § 40 (1) sentence 1 GWB, the FCO may prohibit a notified merger only if it informs the notifying enterprises within a period of one month from receipt of a complete notification that it has begun an examination of the proposed merger. The main examination procedure shall be instituted if a further examination is necessary (§ 40 (1) sentence 2 GWB). In the first examination period, a preliminary examination is undertaken in order to detect harmless cases. Complex cases shall be subject to the second stage: the main examination procedure. Clearances in the first stage are not subject to formal decisions; they are handled by informal administrative notice, or by the expiration of the four month period. In the main examination procedure, decisions of the FCO have to be formal decisions (Verfügungen). Therefore, the FCO must publish and give reasons for its decision. Until 1998, only prohibitions of mergers were subject to publication and explanation. Clearance decisions were mainly only published in the biennial report of the FCO or the general report (Hauptgutachten) of the Monopoly Commission 16. The European Merger Control has shown that clearance decisions, even more than prohibitions, require discussion in public. It is expected that these formal requirements for clearance decisions will enhance transparency and the public control of merger control decisions by the cartel authorities. In addition, the amendments clarify that third parties are allowed to challenge clearance decisions. However, the amended GWB does not preclude clearance of mergers by letting the 4 months period lapse. According to § 40 (2) sentence 2 GWB, a merger is deemed to be cleared if the FCO does not issue a decision within four months. Therefore, although it might seem unlikely, merger cases could be cleared without a formal decision even in the main procedure through expiration of the four month period, thereby preventing third parties from their right to bring an action. Also, clearance of critical cases during the preliminary procedure through informal notice could hinder transparency and third party legal remedies.

Section 39 GWB defines the content of the notification and the persons obliged to notify, as well as the FCO’s right to demand information. A new provision was introduced in § 39 (6) GWB to require an authorized recipient in Germany to file the notification if a concerned enterprise is located outside of Germany.

VII. Enforcement

The procedural rules remain mainly unaltered. German competition law is enforced by the Federal Cartel Office, which is located in Berlin and moves to Bonn in 1999, and the cartel authorities of the sixteen German States (Länder).

The GWB provides for administrative sanctions in the form of cease and desist orders (the general rule for cease and desist orders is found in § 32 GWB) and administrative fines for administrative offenses (Ordnungswidrigkeiten) which are named in § 81 GWB. In addition, § 34 GWB provides for excess proceeds surcharge orders of the cartel authority if an enterprise willfully or negligently, as a result of conduct prohibited by a cartel authority decision pursuant to § 32 GWB, has obtained additional proceeds following service of a decision. In addition to the single excess proceeds surcharge subject to „ordinary" administrative proceedings (§§ 54 through 80 GWB), a treble surcharge of illegal proceeds is possible as an administrative fine if an administrative offense (Ordnungswidrigkeit) is found under § 81(2) GWB.

The GWB does not provide for criminal sanctions. However, the 1997 amendments to the Criminal Code introduced an express provision for bid-rigging 17.

Private damage actions and injunctive relief are now covered by § 33 GWB. Although this provision seems very similar to the former § 35 in the old version of the GWB, its importance might change substantially given the amendments to other provisions. The abuse of a market-dominating position is now prohibited in § 19 GWB and can therefore be enforced by private parties without a cease and desist order from the FCO. It is unclear whether or not the newly introduced explicit prohibition of cartels (§ 1 GWB) and agreements restricting one party's freedom to determine prices or business terms in contracts which it concludes with third parties (§ 14 GWB) will also impact the interpretation of the persons protected by those provisions and therefore authorized to claim for damages under §§ 1, 33 GWB or §§ 14, 33 GWB. A major impediment to the enforcement of the rules against abusive conduct of market-dominating enterprises and enterprises having superior market power has been the reluctance of adversely affected small firms to complain with the cartel authorities for fear of retaliatory measures taken by accused business partners. Therefore, § 54 GWB was complemented to allow the cartel authority to institute a proceeding ex officio upon the request of a complainant in order to protect the claimant's anonymity. The cartel authorities are now allowed to redact parts of a document, especially the address of the complainant, when they submit evidence to a court concerning a judicial review of an inquiry order issued by the cartel authority (§§ 59, 70 (4) GWB).

The requirement that cartel agreements and other agreements containing restrictions must be in writing (§ 34 GWB o.v.) has been abolished.

VIII. Public Procurement

German procurement law has traditionally been part of administrative law and not competition law, and therefore focused on budgetary issues, without guaranteeing individual rights and legal remedies for applicants and bidders. Not until 1993 was a unified review of public procurement procedures and decisions for cases above the thresholds in the EU directives introduced ("budgetary solution"). The respective rules explicitly excluded bidders' individual, enforceable rights. This has been criticized by the Commission and by the EC Court of Justice as well as by the U.S. government in trade negotiations, and led to the introduction of several actions brought by the Commission against Germany on grounds of infringement of the EEC Treaty. In order to fulfill the requirements set by several European Directives¹⁸ aimed at the opening of public procurement for

Community-wide competition, the rules on government procurement have been amended and incorporated into the GWB, §§ 97 through 129. The GWB provides for definitions of public procurement and contracting authorities, and general principles governing public procurement. The procurement rules in the GWB do not only apply to governmental authorities. Contracting authorities within the meaning of § 98 GWB are also private enterprises involved in certain governmental-supported activities, e.g. the construction of hospitals and schools.

During the legislative process, strong disagreement occurred between the federal government and the States (Länder) concerning the permitted criteria for procurement. According to § 97 (4) GWB, procurement decisions have to be based on the expert knowledge, experience, efficiency and reliability of the enterprises. Other criteria may only be considered if provided for in federal or state laws. Several States insisted on their ability to set additional criteria. Thereby, they want to be able to use government procurement to promote certain groups of employees and to exclude those firms found guilty of work on the side through black lists.

The new GWB introduced a subjective right for tenderers to guarantee compliance of government procurement proceedings with the respective rules, § 97 (6) GWB. Any enterprise having an interest in the procurement order and claiming to be injured in his or her rights has standing to bring an action, § 107 (2) GWB.

Judicial review is guaranteed by administrative authorities in the first instance (§ 104 GWB). The Vergabekammern (procurement review bodies) are independent, § 105 (1) GWB. Federal procurement orders are handled by federal Vergabekammern which are constituted within the Federal Cartel Office, and the 16 German States (Länder) have their own Vergabekammern. The final decision of a Vergabekammer constitutes an administrative act, § 114 (3) GWB. The Vergabekammer as well as the High Court on appeal have to decide within 5 weeks after receiving the complaint, § 113 (1) and § 121 (3) GWB. A review application will automatically halt the award procedure (§ 115 GWB), thus keeping open for the bidder the possibility of winning the contract. In its decision, the Vergabekammer declares whether the tenderer is affected in his or her rights, and may order necessary measures, without being bound by the application, § 114 (1) GWB. For example, the Vergabekammer can issue an order against a contracting authority to eliminate discriminatory elements from tender documents. It cannot remand the award, § 114 (2) GWB. Vergabekammer decisions can be appealed to the High Court (Oberlandesgericht), § 116 GWB. The appeal, complete with a statement of the grounds for appeal, must be filed within two weeks of the announcement of the first instance decision, § 117 GWB. The Court of Appeals can either render its own decision or remand the case to the review board to decide again with attention to the court's arguments, § 123 GWB.

In case of an infringement of procurement rules, bidders can seek an award of damages under § 123 GWB, notwithstanding further damage claims, e.g., claims under the German Civil Code. In contrast, § 125 GWB provides a damage claim for cases involving abuse of rights; if the available remedies are abused by a bidding entity, it may be liable for damages to the other parties to the proceeding.

IX. International Application of German Antitrust Law and Relation to European Antitrust Law

The GWB provides an explicit provision for the effects-principle in § 130 (2) GWB, stating that „this Act shall apply to all restraints of competition which have effect in the area in which this Act applies, even if they result from acts done outside such area." Therefore, all prohibitions and notification requirements apply to activities which have a direct, reasonably foreseeable and significant (not necessarily substantial) effect. The FCO has regularly applied the GWB provisions

to foreign enterprises.

A strong influence of EU law derives from the fact that EU law generally overrules German competition law. Therefore, if Art. 85 EEC Treaty is applicable, i.e., if an effect on trade between Member States is present, an express exemption granted under Art. 85 (3) EEC Treaty under a decision made by the Commission prevails over the prohibitions found in §§ 1 and 14 GWB. On the other hand, the prohibitions in Articles 85 and 86 EEC Treaty prevail over every kind of exemption in German law.

Many questions concerning the relationship, differences and conflicts of EU and German competition law remain open due to the fact that in many areas the EC Commission did not enforce prevailing prohibitions in EU law. Also, applications for exemptions under Art. 85 (3) EEC Treaty filed with the Commission may remain untreated for years. Due not only to the lack of resources in the EC Commission, recently, the FCO applied in several cases EU law directly, even if explicit provisions in the GWB exempted the conduct in question from the GWB prohibitions.

Therefore, for international transactions likely to have an „effect on trade between Member States" within the meaning of Articles 85 and 86 EEC Treaty, EU competition law rules always have to be considered in German competition law cases.

Footnotes

(1) The GWB was initially enacted in 1957 (BGBl. 1957 I, 1081). Since then, it has undergone six major revisions, the most important occurring in 1973 when the Merger Control was amended.

(2) Revision of August 26, 1998 (entry into force 1 January 1999), BGBl. 1998 I, 2521. For an overview of literature on German competition law in English, see <<http://www.antitrust.de>>.

(3) For the legislative history, see: BT-Drucks. 13/9720.

(4) In §§ 48 - 53 GWB.

(5) Block exemptions (Article 85 (3) EEC Treaty) under Council Regulations or Commission Regulations exist for exclusive dealing agreements, licensing agreements for the transfer of technology, specialization and research and development agreements, franchising agreements and insurance-sector agreements.

(6) See Federal Civil Supreme Court (Bundesgerichtshof), October 24, 1995 - BGHZ 131, 107-121 - „Backofenmarkt".

(7) 224 U.S. 383 (1912).

(8) 5 Common Market Law Report 255 - Sealink I.

(9) German Telecommunications Act of 1996 (TKG), BGBl. 1996 I, 1120; An English version of the Telecommunications Act is available through the German Regulatory Authority for Telecommunications and Posts at <<http://www.regtp.de/English.htm>>.

(10) Generally about the TKG: Carl. B. Kress, The 1996 Telekommunikationsgesetz and the Telecommunications Act of 1996, 49 Fed. Com. L.J. 551.

(11) BGBl. 1998 I, 730 - Gesetz zur Neuregelung des Energiewirtschaftsrechts.

(12) In addition to the EC Commission, the FCO and other Member States' Cartel Authorities are allowed and encouraged to apply EC competition rules; see § 50 GWB explicitly empowering the FCO to apply EC Competition Rules. See also Commission Notice on Cooperation Between National Competition Authorities and the EC Commission in Handling Cases Falling within the Scope of Articles 85 or 86 EEC Treaty, published in the Official Journal: OJ C 313, 15/10/97, p. 3.

(13) The FCO has published an information leaflet relating to the German control of concentrations, available at <http://www.bundeskartellamt.de>.

(14) Council Regulation (EC) No. 4064/89 on the control of concentrations between undertakings.

(15) Art. 1 (3) of the regulation now requires that

..... - the combined aggregate world-wide turnover of all the
..... undertakings concerned is more than ECU 2.5 billion

..... - in each of at least three Member States, the combined
..... aggregate turnover of all the undertakings concerned is more than ECU 100 million

..... - in each of at least three Member States included for the
..... above mentioned purpose, the aggregate turnover of
..... each of at least two of the undertakings concerned is
..... more than ECU 25 million

..... - the aggregate Community-wide turnover of each of at
..... least two of the undertakings concerned is more than ECU
..... 100 million

unless each of the undertakings concerned achieves more than two-thirds of its aggregate Community-wide turnover within one and the same Member State.

(16) §§ 44 - 47 GWB.

(17) § 298 of the Criminal Code (Strafgesetzbuch), "Wettbewerbsbeschränkende Absprachen bei Ausschreibungen", introduced through the Act against Corruptive Practices of August 13, 1997, BGBl. 1997 I, 2038-2043.

(18) For the respective EU directives, see the legislative history, Bundestags-Drucksache 13/9340 of December 3, 1997

Competition Law in the European Union: A Dual Enforcement System (by Jason Hoerner)

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1) Introduction

Both the United States (US) and European Union (EU) utilize a model of dual enforcement to assure compliance with their antitrust or "competition" laws.² This article examines the manner in which the EU utilizes a dual enforcement model to protect competition.

In the US, federal antitrust authorities do not have the power to direct or prevent state antitrust enforcement efforts. Federal and state governments are essentially coequals in antitrust enforcement, primarily because Congress has not reserved exclusive antitrust jurisdiction to the federal government⁴ and courts have (on federalism grounds) held that federal antitrust laws generally do not preempt state antitrust laws.⁵ Federal antitrust law applies in federal courts while state antitrust law applies in state courts. Although states can bring suits under federal antitrust laws in federal courts, federal antitrust law does not apply in state courts.

In general, EU authorities enforce European Community competition law ("Community competition law") while national authorities enforce national competition laws. EU competition authorities enforce Community competition law, but national competition authorities may enforce Community competition law and national competition laws. Community competition laws can apply in national courts and in administrative proceedings initiated by national enforcement authorities. The one area in which European competition authorities have exclusive jurisdiction to enforce Community competition law is in the merger area (depending on the sales figures of the merging entities). Where Community competition law and national competition law apply to an individual restraint of trade or anti-competitive act simultaneously, Community competition law generally preempts national competition law. However, to the extent national competition laws and Community competition laws do not conflict with one another, parallel proceedings before European competition authorities and national courts or authorities can occur and result in multiple liability.

2) Enforcement of EU Competition Law

The core of Community competition law originates from the TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY (EC Treaty), which came into force on January 1, 1958.⁶ At the time the EC Treaty came into force, only a limited amount of competition legislation was in place in Member States.⁷ Germany had a sophisticated but untried competition law framework while that of other Member States such as Italy were non-existent.⁸ Today, all Member States have competition laws in place dealing with restrictive agreements and the abuse of monopoly power.⁹ However, competition law enforcement varies from the advanced to the

rudimentary among Member States.¹⁰ The United Kingdom, Germany, and France have been the most active in enforcement.¹¹

a) EU

Community competition law must be understood in terms of the overall goals of the EC Treaty and the way in which competition policy is intended to achieve those goals.¹² Article 2 and 3(f) of the EC Treaty are two provisions that identify the policies most important to understanding Community competition law. Article 2 states the importance of the promotion "throughout the Community [of] an harmonious development of economic activities, a continuous and balanced expansion ... an accelerated raising of the standard of living and closer relations between the States belonging to it." Article 3(f) acknowledges the need for "the institution of a system ensuring that competition in the Common Market is not distorted."

The two primary goals of Community competition law are therefore: a) the prevention of restrictive practices that interfere with the integration of the separate Member State economies into a unified common market;¹³ and b) the protection and promotion of competition within the EU.¹⁴

Community competition law is applied in three different scenarios. The first scenario in which Community competition law may apply is in administrative proceedings where cartel authorities (1) supervise the competitive behavior of undertakings, (2) prohibit cartels and abuses of dominant market positions, and (3) grant permissions or exemptions for certain types of cartels or for mergers.¹⁵ The second scenario in which Community competition law is applied in administrative fines procedures, where the cartel authorities may impose fines on enterprises in cases where law specifically provides for such fines.¹⁶ Finally, Community competition law is applied in civil actions where a court has to decide on the validity of an agreement or on the legality of a practice in a dispute between private parties.¹⁷

3) Substantive Law

The principal substantive rules of Community competition law are found in Article 81 and Article 82 of the EC Treaty.¹⁸ Article 81 applies to agreements and concerted practices in restraint of trade, and Article 82 applies to abuses of market dominating positions. Both Article 81 and 82 address restrictive practices by "undertakings," or all natural or legal persons and all combinations of legal persons engaged in an independent commercial activity, either as suppliers of goods or commercial services.¹⁹ Articles 81 and 82 apply both to private and public undertakings.

Article 81(1) prohibits restrictive agreements²⁰ and concerted practices²¹ and makes them void if (1) they have as their object or effect the prevention, restriction, or distortion of competition within the Common Market, and (2) they affect trade between Member States.²² For Article 81(1) to be infringed, the following elements must be present:

- (a) an agreement or concerted practice;
- (b) a restriction on competition within the common market; and
- (c) a potential appreciable effect on trade between Member States.²³

Article 81(1) expressly applies to agreements or concerted practices to fix prices or trading conditions, limit production or markets, share markets or sources of supply, discriminate against other trading parties, or impose tying arrangements in respect of unrelated products.²⁴

Article 82 prohibits abusive exploitation of a dominant position by one or more undertakings. The prohibition in Article 82 applies to "any abuse by one or more undertakings of a dominant position within the common market or in a substantial part of it." For Article 82 to apply, the following elements must be present:

- (d) a dominant position in a relevant product and geographic market within the common market;
- (e) an abusive act; and
- (f) a potential appreciable effect on trade between Member States.²⁵

Dominant positions are measured on the basis of relevant product²⁶ and geographic markets.²⁷ An undertaking with a market share of 50 percent or more will be presumed to be dominant, although a market dominant position may exist with market shares between 40 and 50 percent.

Article 82 expressly applies to abuses such as imposing unfair prices or trading conditions, limiting production or markets, discriminating against trading partners, and tying.²⁸ In addition, the following practices have been found to also infringe Article 82: unilateral refusals to supply customers,²⁹ use of a nontransparent discount system,³⁰ requiring a customer to purchase all or a significant part of its requirements of certain goods,³¹ predatory pricing or selective price cutting intended to damage a competitor,³² and charging excessive or discriminatory prices.³³ A merger may fall within the Article 82 prohibition if a dominant undertaking permanently reduces competition through a merger. A potential appreciable effect is found relatively readily in practice.³⁴

Unlike Article 81, Article 82 contains no exemption provision.

Competition rules applying to Member States mainly include provisions relating to the control of public aid.³⁵ Article 87 provides that aid granted by a Member State or through Member State resources in any form whatsoever that distorts or threatens to distort competition by favoring certain undertakings or the production of certain goods shall, insofar as it affects trade between Member States, be incompatible with the Common Market.³⁶ However, aid granted for specific purposes may be either automatically compatible with the Common Market or may be declared to be compatible with it.³⁷

Article 86 governs the relationship between Member States and the public sectors of the economy. It prohibits the Member States from enacting or maintaining any measure contrary to the competition rules of the EC Treaty relating to public undertakings and undertakings to which Member States grant special or exclusive rights.³⁸

ii) Enforcement Authorities

The principal procedural rules governing the enforcement of Community competition law are contained in EC REGULATION 17/62 (Regulation 17).³⁹ It assigns the European Commission ("the Commission") the task of enforcing Articles 81(1) and Article 82.⁴⁰ The Commission is the administrative arm of the EU. ⁴¹ Regulation 17 confers upon the Commission the power to request information using written interrogatories,⁴² to make inspections on company premises,⁴³ and to require Member States to make such inspections on the Commission's behalf.⁴⁴ If the Commission determines that there exists sufficient evidence of a competition law violation, it may adopt a decision enjoining⁴⁵ the prohibited activity and impose fines.⁴⁶ Regulation 17 does not apply to certain coal and steel products, the transport sector, or agricultural products.⁴⁷

Each member of the Commission supervises one or more Directorate Generals, or departments of the Commission. The Commission exercises its powers through a number of Directorate Generals. The Directorate General for Competition is known as the "DG IV." The DG IV works on behalf of the Commission in the application and enforcement of Article 85 and 86.⁴⁸

Concerning restraints of trade in violation of Article 81(1), an undertaking can avoid an enforcement proceeding by notifying the Commission of a proposed or existing agreement, decision, or concerted practice in order to attain an individual exemption,⁴⁹ negative clearance,⁵⁰ or both an individual exemption and negative clearance.⁵¹

The Commission must be formally notified of the terms of any existing or proposed agreement, decision, or concerted practice to which Article 81 applies.⁵²

Only the Commission has the power to grant individual exemptions or negative clearances.⁵³

Upon request, the Commission may exempt an individual agreement, decision or concerted practice from the prohibition in Article 81(1) under Article 81(3).⁵⁴ The exemption applies where the Commission concludes that an otherwise prohibited agreement:

- 4) improves the production or distribution of goods, or promotes technical or economic progress;
- 5) allows consumers a fair share of the resulting benefit;
- 6) requires restrictions of competition "indispensable" to the achievement of the permissible beneficial results; and
- 7) does not permit the parties to eliminate competition in a "substantial part" of the market.⁵⁵

Only the Commission can grant an exemption, subject to review by the European Court of Justice.⁵⁶

Individual exemptions are granted for a limited period of time,⁵⁷ and do not bar the Commission from taking enforcement actions to remedy abuses of market dominating positions prohibited by Article 82.⁵⁸ Furthermore, the Commission reviews individual exemptions periodically, and it can revoke or alter an individual exemption in a subsequent decision.⁵⁹ The Commission may grant an individual exemption with conditions attached.⁶⁰

If an undertaking is unsure whether Article 81(1) or Article 82 apply to an agreement, decision or practice, the undertaking can notify the Commission and ask it to grant a negative clearance.⁶¹ A negative clearance is a certification from the Commission that, on the basis of the facts in its possession, there are no grounds under Article 81(1) or Article 82 for the Commission to initiate an enforcement action.⁶² A negative clearance would be warranted in a case involving a potential Article 81(1) violation where the Commission decides that the activities of the undertaking do not perceptibly restrain competition between the member States or within the Common Market.

In practical terms, the Commission lacks the resources to rely on the notification system exclusively.⁶³ As early as 1967, the Commission was faced with a docket of 37,450 cases that had accumulated four years after the notification system began with the entry into force of Regulation 17.⁶⁴ By 1997, the Commission could issue only 27 formal decisions while over 1,200 remained undecided.⁶⁵

To avoid delays in the individual exemption and negative clearance process, the Commission has

utilized comfort letters since the early 1970s.⁶⁶ Comfort letters now total some 150-200 a year (90 percent of all notifications).⁶⁷ In a comfort letter, the Commission, through the DG IV, assures an undertaking that despite the fact that no negative clearance or individual exemption has been issued, the Commission will not initiate an enforcement action.⁶⁸ Comfort letters help to speed the processing of cases in part because they do not have to be published, unlike formal decisions, individual exemptions and negative clearances.⁶⁹ The comfort letter bars future enforcement action by the Commission absent a change in circumstances.⁷⁰ However, the national courts and authorities are not bound by a comfort letter when they determine whether a restrictive practice violates Article 81, although they may take them into account as one fact to be considered.⁷¹

The Commission has also attempted to avoid delays by adopting "block exemption" regulations applying to categories of agreements.⁷² Block exemption regulations are now so numerous that the basic prohibition of cartels in Article 81(1) has less force than it had.⁷³

a) Member States

Nothing in the EC Treaty preempts national competition laws expressly so long as the competition provisions of the EC Treaty apply only to anti-competitive acts that "affect trade between Member States."⁷⁴

i) Germany

Historically, Germany has had perhaps the most developed competition law framework of all the Member States dating back to when the allied occupying powers imposed a rule prohibiting cartels and monopolization in 1947.⁷⁵ Germany's competition law began when ten years later, West Germany enacted the Law Against Restraints of Competition (Gesetz gegen Wettbewerbsbeschränkungen - GWB).⁷⁶ The purpose of the GWB is to protect "freedom of competition."⁷⁷

Despite its American origins, there are fundamental differences between the US and German legal methods of antitrust enforcement.⁷⁸ German antitrust law is applied primarily through administrative bodies.⁷⁹ US antitrust law is applied primarily through the courts in determining rights and duties of individual parties. German statutes set forth more detailed substantive rules than US statutes, which rely more on judicial interpretation. German antitrust law is applied by an active decision maker through the application of a rule to a particular set of facts; US antitrust law is applied ordinarily to resolve a particular dispute by a passive decision maker with the formulation of issues controlled by the adversaries and their lawyers. Finally, the enforcement of German antitrust law is centralized in specialized decision-makers. US antitrust enforcement relies on autonomous and non-specialized decision-makers.⁸⁰

(1) Substantive Law

§1 of the GWB prohibits "agreements between undertakings, decisions by associations of undertakings and concerted practices which have as their object or effect the prevention, restriction or distortion of competition."⁸¹

In addition to restraints of trade, the GWB prohibits abuses of market dominating positions. §19 prohibits the abuse of a market dominating position, similar to Article 82 of the EC Treaty. Unlike the EC Treaty, the GWB contains an explicit definition of "market dominating." An enterprise is market dominating if it has no competitors or is not exposed to any substantial competition, or if it has a paramount market position in relation to its competitors.⁸² An abuse of a market dominating

position occurs when an enterprise a) demands consideration or other business terms that deviate from those which would result assuming effective competition existed; or b) demands less favorable consideration or other business terms than the enterprise demands from similar buyers in comparable markets.⁸³ A refusal to grant access to essential facilities for reasonable consideration is also an abuse of a market dominating position if the other undertaking would be prevented for legal or practical reasons from entering upstream or downstream markets.⁸⁴

Resale price maintenance agreements are prohibited by §14.

Germany recently enacted the sixth major amendment to the GWB.⁸⁵ Harmonization with EU law was one of the main objectives of the amendments.⁸⁶ The discussion about the sixth amendment centered on the question whether and to what extent German competition law ought to be adjusted to the competition rules of the EC Treaty.⁸⁷ Members of the business community in Germany had argued that the parallel existence of national law and European law impeded corporate planning, caused an unnecessary administrative burden and violated the principle of the level playing field.⁸⁸ German industry considered itself at a comparative disadvantage relative to foreign companies.⁸⁹

To harmonize German competition law with European competition law, the following changes were made to the GWB:

- (a) cartel agreements are now no longer void, but prohibited in harmony with Article 81(1);⁹⁰
- (b) abuses of market dominating positions are no longer void, but prohibited in harmony with Article 82;⁹¹
- (c) resale price maintenance agreements are no longer void, but prohibited in harmony with Article 81(1);⁹²
- (d) a general exemption was added in §7 that is modeled after the Article 81(3) exemption;⁹³
- (e) broad general exemptions for special industries have been replaced by system requiring individual exemptions decided by the Bundeskartellamt;⁹⁴

Despite the above-mentioned changes, the German Parliament did not decide to harmonize the GWB with Community competition law entirely. An important difference between the GWB and the EC Treaty is that the German system has distinguished between horizontal and vertical restraints while the European system treated both equally. After the 1999 amendment, German competition law will continue to distinguish between horizontal and vertical restraints. The GWB prohibits horizontal agreements under §1 with exemptions where §§2 through 8 apply. Vertical agreements, however, are not directly prohibited. In general, they are subject to the supervision of the Bundeskartellamt.⁹⁵ However, vertical agreements are prohibited to the extent they restrict a party's freedom to determine prices or contractual terms concluded with third parties.⁹⁶ Article 81(1) applies to both horizontal and vertical agreements.

Unlike the Sherman Act, the GWB does not provide for criminal sanctions.⁹⁷ Instead, competition law violations are treated as administrative offenses (Ordnungswidrigkeiten) and subject to sanctions in the form of cease and desist orders⁹⁸ and administrative fines.⁹⁹

(2) Enforcement Authorities

German competition law is enforced by four entities; three of the four entities are governmental bodies (Kartellbehörden). The three governmental bodies are the Bundeskartellamt (Federal Cartel

Office), the Bundesminister für Wirtschaft (Federal Minister of the Economy), and the Landeskartellbehörden (Regional Cartel Offices)¹⁰⁰ of the German states (Länder). The fourth entity is the Monopolkommission (Monopolies Commission).¹⁰¹

The Bundeskartellamt is an independent federal office (Bundesbehörde).¹⁰² It exercises exclusive jurisdiction over most cartels, price maintenance agreements and those mergers over which the Commission has not reserved sole jurisdiction. It is also responsible for all other violations of the GWB if the effect of those violations extends beyond a single state. The Bundeskartellamt may grant permissions or exemptions,¹⁰³ prohibit anti-competitive agreements and practices,¹⁰⁴ or impose fines.¹⁰⁵ In addition to sanctions in the form of cease and desist orders¹⁰⁶ and administrative fines,¹⁰⁷ the Bundeskartellamt may impose an excess proceeds surcharge on an undertaking that willfully or negligently acquires additional proceeds after the Bundeskartellamt issues a decision prohibiting a restraint.¹⁰⁸ Unlike the Federal Trade Commission, the Bundeskartellamt does not share enforcement authority with another federal agency.¹⁰⁹

Although the Bundeskartellamt is considered an independent agency,¹¹⁰ it is still subject to the authority of the Federal Minister of the Economy (Bundesminister für Wirtschaft), who can issue general and particular directions to the agency, and formulates policy regarding authorizations for certain cartels and mergers.¹¹¹ General directions express the enforcement intent of the Minister of the Economy, but only five general directions have ever been issued.¹¹² Particular directions are more common and deal with issues concerning particular cases. For example, in 1965 the Federal Minister directed the Bundeskartellamt not to prosecute a self-restraint agreement of oil companies which was brought about by the federal government to protect coal mines.¹¹³

The Federal Minister has jurisdiction to make two types of authorizations regarding competition law enforcement. First, the Federal Minister has the power to authorize cartel agreements otherwise prohibited by §1 GWB if the restraint of competition is necessary for predominating reasons concerning the general economy and the common welfare.¹¹⁴ Second, the Federal Minister may approve a merger that has been prohibited by the Bundeskartellamt if the restraint on competition is outweighed by the benefits to the economy as a whole or if the merger is justified by an overriding public interest.¹¹⁵

An important aspect of the German system is its emphasis on insulating competition enforcement from policy considerations. The role of the Bundeskartellamt is to decide competition issues on a purely legal basis; it should only consider the effect of a restraint on competition.¹¹⁶ The GWB does not authorize the enforcement authorities responsible for applying competition law to apply competition law for economic purposes.¹¹⁷ In contrast, the decisions of the Federal Minister can be based on political considerations, including industrial policy. For example, the Federal Minister can authorize an otherwise illegal merger if the restraint of competition is outweighed by the advantages to the whole economy resulting from the merger, or if the merger is justified by a predominating public interest.¹¹⁸ In this way, responsibility for political decisions falls on a body other than the enforcing authority: the government, which is politically accountable to parliament.¹¹⁹

The result is a two-tiered system. In the first stage, the Bundeskartellamt examines the merger according to competitive criteria exclusively. In the second stage, the Federal Minister may authorize the same merger for political reasons, provided it is justified by a predominant public interest or the competitive disadvantages of the merger are outweighed by advantages to the economy.¹²⁰ However, the Federal Minister cannot reverse the reasoning of the Bundeskartellamt.¹²¹

The basic assumption upon which this two tiered system is premised is that the interests of individual legal entities or groups constantly threaten competition.¹²² For example, companies may

find reasons to avoid competition in times of economic crisis, and politicians concerned about preserving jobs may attempt to put pressure on a competition authority to base its decisions on factors other than competition.¹²³ Indeed, proposals have originated from Germany that the EU create an independent cartel authority similar to the Bundeskartellamt. The Commission is responsible currently for both stimulating the economy and protecting competition.¹²⁴ The philosophy behind the proposal is that the creation of an independent office would lessen the risk that non-competitive interests could influence decision-making processes.¹²⁵

8) Relationship Between EU and Member State Competition Laws

The Commission did not assume sole responsibility for competition policy within the Common Market once Articles 81 and 82 entered into force. Practically speaking, to do so at that time would have been impossible given the Commission's limited resources.¹²⁶ Instead, the competition policy contained in Article 3(f) called for joint implementation with Member States by making Community competition law directly applicable in national courts and in administrative proceedings conducted by national competition authorities.¹²⁷

In theory, Community competition law controls when trade between Member States is affected. If anti-competitive practices affect trade in one Member State, Community competition law is not applicable. However, because the reach of Community competition law and Member State competition law has been so broadly interpreted, the boundary between the application of EU and national competition law is no longer clear. In practical terms, the applicability of Community competition law overlaps with the applicability of national competition law.¹²⁸ In the event of a conflict, Community competition law should apply, but no conflict of law rule specifically directs such a result. Parallel proceedings are possible where the European Commission applies Community competition law and the courts of the Member States apply national competition law concurrently, provided that the proceedings in the national courts do not interfere with the uniform application of EU law and fines are not duplicative. The only area where Community competition law absolutely preempts national competition law is in the merger area, assuming that the merger is one with a "Community dimension."¹²⁹

a) Overlap in EU and Member State Laws

The dividing line separating the application of national competition law and Community competition law is unclear. In theory, if an anti-competitive practice occurs within the Common market that is not contained within a single Member State, Community competition law applies. Likewise, if an anti-competitive practice transpires in a single Member State, then national competition law generally applies. However, Community competition law can also apply where an anti-competitive practice takes place outside of the EU or within a single Member State, provided the practice affects trade between Member States. Furthermore, Member State competition law can apply where an anti-competitive practice takes place outside of a Member State, provided the practice affects trade within the Member State. As the EU and Member States broaden the application of their respective competition laws more and more, the overlap between Community competition law increases.¹³⁰

Community competition law applies to anti-competitive business practices affecting trade between Member States.¹³¹ Article 81 applies to restraints "which may affect trade between Member States" and "which have as their object or effect the prevention, restriction or distortion of competition within the common market." Article 82 applies to the abuse by one or more undertakings of a dominant position within the common market "in so far as it may affect trade between Member States." Therefore, Articles 81 and 82, according to their express language, should only apply to anti-competitive acts affecting trade between Member States, and not to anti-

competitive acts with effects in only a single Member State.

It is generally accepted that Community competition law subscribes to an "effects doctrine" for determining the reach of Articles 81 and 82.¹³² Under this effects doctrine, judicial jurisdiction exists to apply Community competition law to restraints or abuses of dominant positions occurring outside the EU, provided that there are effects within the EU between Member States.¹³³ For example, if an undertaking is registered or maintains its center of operations outside the EU, Community competition law would apply if its anti-competitive acts had an effect on trade between Member States.¹³⁴ It is a doctrine not at all unlike the effects test used in the US to measure the applicability of the Sherman Act.

The Commission has used the effects doctrine as a basis for asserting jurisdiction in a number of cases,¹³⁵ and the European Court of Justice has implicitly approved the manner in which the Commission applies the doctrine.¹³⁶ According to the Commission's usage of the effects doctrine, Article 81 applies where the restraint has as its object¹³⁷ or its effect¹³⁸ the prevention, restriction or distortion of competition within the EU.¹³⁹ The Commission takes the position that restrictive agreements between undertakings from different Member States are always likely to impair trade between Member States.¹⁴⁰ The Commission does not consider the following to be determinative:

(a) the place of contracting for the restraint;¹⁴¹

(b) whether an undertaking is incorporated outside the EU;¹⁴²

(c) whether the anti-competitive acts were committed in the
•••••EU;¹⁴³ or

(d) whether the agreement, decision or concerted practice targets a national market only.¹⁴⁴

Some Commission decisions have gone so far as to require only a "perceptible" effect.¹⁴⁵ Other decisions require that a restraint have a "noticeable" effect upon the supply and demand within the Common Market.¹⁴⁶ The more recent practice of the Commission is to require that a restraint or the abuse of a dominant position have "direct, substantial and intentional" effects within the Common Market for Articles 81 and 82 to attach.¹⁴⁷

The European Court of Justice has held that Articles 81 and 82 can apply where an agreement, decision, or concerted practice affects a market within a single Member State, provided there is the possibility that trade between Member States will be affected. In *Suiker Unie v. Commission*,¹⁴⁸ Article 81(1) applied to a price fixing agreement that was limited to the sugar market in the South of Germany. Although the agreement only affected the German sugar market, it had the possibility of affecting trade between member States. The Court looked at the structure and dimension of the sugar market, and found that the market for sugar in Germany was important to the development of European markets. The existence of similar contracts in other member States created a possibility that trade between Member States could be affected.¹⁴⁹

Even if a restrictive practice relates to a market which is limited to a single Member State, Articles 81 and 82 can apply once there is the possibility that trade between the Member States could be affected.¹⁵⁰ Restrictive practices between undertakings established in one and the same Member State relating solely to the production or distribution of their products on the national market which produce effects on the sale of foreign products within the country in question, or on entry into the market by non-resident undertakings, fall within the scope of Community law.¹⁵¹ Furthermore, a cartel of undertakings that accounts for a significant overall share of the market and covers the entire sovereign territory of a Member State is by its very nature likely to impair trade between

Member States insofar as it contributes to the partitioning of national markets within the Community.¹⁵²

Therefore, there is no requirement that the market affected by an agreement, decision, or concerted practice cross national boundaries before Community competition law may apply. However, not every case involving an agreement, decision or concerted practice affecting a national market only will warrant the application of Articles 81 and 82. There must first be the possibility that the agreement can restrain trade between the Member States.¹⁵³

Some Member States take such a broad approach to the enforcement of their national competition law that the jurisdiction of the national competition laws overlap with Articles 81 and 82 of the EC Treaty.¹⁵⁴ For example, the reach of the GWB's application is premised on an effects doctrine (Auswirkungsprinzip). The GWB applies to all restraints of competition "having effects within the area of operation of the [GWB], even if [such restraints] are caused outside the area of operation of this law."¹⁵⁵ "Effects" is interpreted as an injury to the freedom of competition and the freedom of third parties to exercise economic activity.¹⁵⁶ There is disagreement about whether an effect must be substantial or whether a mere potential effect is enough.¹⁵⁷ No court has ruled on this issue.¹⁵⁸ However, a potential effect is normally enough for the Bundeskartellamt and the Bundesgerichtshof given the difficulties of proving a substantial effect.¹⁵⁹

Unlike German competition law, Italian competition law contains a unique provision designed to eliminate overlaps in jurisdiction between Community competition law and Italian competition law. Italy was the last Member State in the EU to enact its own competition law, Law no. 287/1990,¹⁶⁰ which is modeled after Community competition law. Article 2 of the Italian competition law prohibits agreements, concerted practices and decisions by undertakings and associations of undertakings which restrict competition.¹⁶¹ Article 3 prohibits abuses of dominant positions.¹⁶² Article 1 of Law no. 287/1990 provides that its provisions apply only to agreements, abuses of dominant positions, and to mergers "which do not fall within the scope of application of ... [EC Treaty] Articles 81 and 82 or Community acts having an equivalent legal force." Furthermore, paragraph 4 of Article 1 of provides that the interpretation of substantive provisions of Italian competition law shall be based on the Community competition laws. The provision was thus designed to bring national and Community law into harmony.¹⁶³

Some scholars suggest that the provision causes the enforcement of competition laws to become more problematic. If the European Commission fails to investigate a restrictive practice to which Community competition law applies, could a situation arise in which no competition law, Italian or European, is enforced?¹⁶⁴ Some scholars believe that the provision could lead to just such a "gap" in enforcement.¹⁶⁵ However, Italian law grants the Italian Competition Authority (Autorità garante della concorrenza) the power to apply Community competition law.¹⁶⁶ In the event Italian competition law does not apply, the national competition authority should apply Community competition law and no gap in enforcement should result.

No conflicts of law rule applies to the overlap directly, except in the merger area where Community competition law applies exclusively depending on the nature of the transaction and the turnovers of the undertakings involved.¹⁶⁷ The EC Treaty grants the EC Commission the power to enact one, but the Commission has not seen fit to do so.¹⁶⁸

One source for guidance is the primacy doctrine. According to the primacy doctrine, EU law controls in the event of a conflict between EU and national law.¹⁶⁹ If EU law and national law conflict, national law does not apply.¹⁷⁰ The primacy of Community law prevents the application of national law from undermining the full and uniform application of Community law and the effectiveness of measures implementing it.¹⁷¹ Some Member States have entered this principle into

their own legislation.¹⁷² For example, Belgian competition law provides that exemptions issued under Article 81(3) bar proceedings by Belgian authorities.¹⁷³

Another source for guidance to resolve conflicts is the subsidiarity principle. The subsidiarity principle is found in Article 3(b) of the EC Treaty.¹⁷⁴ According to this principle, the Commission may act in cases not within its exclusive authority only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States and can therefore, by reason of the effects of the proposed action, be better achieved by the Commission.¹⁷⁵ German competition authorities have argued that the Commission should defer more cases to the Member States assuming that the Commission does not have exclusive competence to apply Articles 81 and 82,¹⁷⁶ and the Commission appears to agree that the subsidiarity principle does have application in competition law matters.¹⁷⁷

However, the primacy doctrine and the subsidiarity principle do not help to determine the issue whether there is a conflict. Clearly, a conflict occurs when Community competition law forbids a restraint and national competition law permits it. The issue is much more difficult to resolve when national law is more restrictive than EU law, which is often the case where EU and German competition laws conflict. For example, competition authorities use market definitions to gauge whether certain business practices are or would be anti-competitive. The Bundeskartellamt and the Commission defined markets differently before the most recent amendment to the GWB took effect in 1999. The Bundeskartellamt defined them strictly, and the Commission defined them according to Community principles, including economic integration. For example, the Commission considered the competition from outside the Community when determining whether or not a merger should be approved, but the German authorities could not consider this.¹⁷⁸ Thus, the Commission was in general more likely to approve a practice than the Bundeskartellamt in those cases calling for market definitions.

In general, national law is considered displaced by Community competition law where the two conflict:¹⁷⁹

(e) if an effect on trade between Member States is present, Article 81 applies and an individual exemption granted

••••• under Article 81(3) has priority over the prohibitions in national competition law;¹⁸⁰

(f) the prohibitions in Article 81 and 82 have priority over

••••• every kind of exemption in national competition law;

(g) courts have considered the effect of block exemptions,

••••• but there has not been an express finding that these

••••• take precedence over national law.¹⁸¹

(h) Exemptions under national laws do not bar the application of Community competition law regardless of whether EU

••••• law would prohibit an agreement or practice exempted

••••• under national law or provide for the same exemptions

••••• as national law.¹⁸²

b) Decentralized Application of Community Competition Law

Community competition law is applicable in national courts and in administrative proceedings conducted by national competition authorities.¹⁸³ However, there must be a uniform application of

Community competition law.184

i) Application by National Courts

National courts are responsible for safeguarding the subjective rights of private individuals in their relations with one another.¹⁸⁵ Community rules affect relations between private persons and therefore create individual rights.¹⁸⁶ Because those rights must be safeguarded, it follows that the national courts have jurisdiction to apply Articles 81(1) and 82.¹⁸⁷ Thus, national courts have been granted the power to apply Article 81(1) and Article 82 of the EC Treaty. However, the Commission retains sole power to grant exemptions under Article 81(3) for certain types of agreements, decisions, and concerted practices.¹⁸⁸

The European Court of Justice has held that the application of Articles 81(1) and 82 in the national courts does not create any new remedies to ensure compliance with Community law other than those already provided by national law.¹⁸⁹ Likewise, Community law must be applied under the same conditions of procedure and admissibility as any national cause of action.¹⁹⁰ The purpose of this rule is to ensure that if there is a violation of Community competition law, litigants will have access to all the procedural remedies provided for by national law on the same conditions as would apply assuming a breach of national law were at issue.¹⁹¹

The application of Community competition law in national courts has considerable advantages for private plaintiffs.¹⁹² First, claims for damage awards may be brought before national courts. However, the Commission cannot award damages for losses suffered as a result of Article 81(1) or 82 violations.¹⁹³ Second, national courts can usually adopt interim measures and enjoin conduct more quickly than the Commission.¹⁹⁴ Third, national courts are authorized to join a claim under EU law with a claim under national law, something the Commission is not authorized to do.¹⁹⁵ Finally, the courts of some Member States have the power to award costs to successful plaintiffs, which is impossible in the administrative procedure before the Commission.¹⁹⁶

In 1993, the Commission issued the NOTICE ON COOPERATION BETWEEN NATIONAL COURTS AND THE COMMISSION IN APPLYING ARTICLES 81 AND 82 OF THE EEC TREATY¹⁹⁷ ("Notice"). It spells out the how the Commission intends to assist national courts using closer cooperation in the application of Articles 81 and 82 in individual cases.¹⁹⁸ The purpose of this notice was to achieve effective cooperation between the national courts and the Commission¹⁹⁹ and thereby protect competition.²⁰⁰

The Commission announces in the Notice that it intends to concentrate its decision-making function to those notifications, complaints and investigations that have particular political, economic or legal significance for the Community.²⁰¹ The administrative resources at the Commission's disposal are necessarily limited and cannot be used to deal with all the cases brought to its attention.²⁰² In cases involving notifications, the Commission will issue a comfort letter assuming there is no significance for the Community. In cases involving complaints, the Commission believes that a sufficient Community interest in examining such cases is lacking so long as plaintiffs are able to secure adequate protection of their rights before the national courts.²⁰³

National courts can apply EU and national competition laws simultaneously, provided Community competition law takes precedence over national law where the two conflict. In the Notice, the Commission has announced that "the simultaneous application of national competition law is compatible with the application of EU law, provided that it does not impair the effectiveness and uniformity of Community competition rules and the measures taken to enforce them."²⁰⁴ To eliminate the risk that a national measure could jeopardize the full effectiveness of EU law, any conflict between EU and national law must be resolved in accordance with the supremacy

principle.²⁰⁵

In the national courts, actions under Article 81(1) and Articles 82 may relate to contracts or damages. In actions relating to contracts, the defendant relies on Article 81(2) to dispute the contractual obligations invoked by a plaintiff.²⁰⁶ Defendants in these cases argue that contractual terms are unenforceable by virtue of some Article 81(1) or Article 82 violation.²⁰⁷ In actions for damages, plaintiffs argue that they have suffered injury caused by conduct that violates Articles 81(1) or 82.²⁰⁸

The Notice takes the position that national courts should ascertain whether an agreement has been the subject of a decision, opinion or other official statement issued by the Commission or other administrative authority.²⁰⁹ If the Commission has not ruled on the agreement, decision, or concerted practice, the Notice asserts that the national courts can be guided by the case law of the European Court of Justice and the decisions of the Commission.²¹⁰ If the Commission initiates a proceeding relating to the same agreement, decision, or concerted practice, the national court can stay the proceedings while awaiting the outcome of the Commission's decision.²¹¹ National courts may also stay proceedings to seek the Commission's views.²¹²

Comfort letters are never binding on the national courts,²¹³ but the Notice provides that the national courts should consider them persuasive authority when deciding cases.²¹⁴

Once the national court decides that an agreement, decision or concerted practice is prohibited by Article 81(1), it must check to see whether it is or will be the subject an individual exemption by the Commission under Article 81(3).²¹⁵ The national courts must abide by the exemption decisions of the Commission. Furthermore, agreements, decisions and concerted practices which fall within the scope of the application of the block exemption regulation are automatically exempt and supersede national court proceedings.²¹⁶ If it appears likely to the national court that the agreement, decision or concerted practice may be the target of an individual exemption, the national court may bring the case before the Court of Justice for a preliminary ruling.²¹⁷

To ensure the consistent application of the rules, and the preservation of the unity of competition policy, there are two main instruments in Community law: Article 169 and Article 177 of the EC Treaty.²¹⁸ Article 169 empowers the Commission to refer to the Court of Justice cases of infringement of Community law by Member States.²¹⁹ Article 177 requires courts of last instance to refer questions of interpretation of Community law to the Court of Justice for a preliminary ruling.²²⁰

If private parties raise provisions of both Community competition law and national competition law, the national courts can apply the two sets of rules, provided they both apply.²²¹

German courts apply Articles 81 and 82 of the EC Treaty and the associated case law extensively.²²²

ii) Application By National Competition Authorities

Pursuant to Article 84 of the EC Treaty, Regulation 17 authorizes the national competition authorities to apply Articles 81(1) and 82.²²³ If, for whatever reason, the Commission never initiates proceedings, the national competition authorities are authorized to apply Articles 81(1) and 82 of the EC Treaty in administrative proceedings, either exclusively or in conjunction with national competition law.²²⁴ However, only the Commission is competent to grant exemptions under Article 81(3),²²⁵ and national competition authorities lose the power to apply Articles 81(1)

and 82 the moment the Commission initiates its own proceedings.²²⁶ As a general rule, the national authorities should handle cases whose main effects are felt inside their jurisdiction and which do not appear prima facie to qualify for exemption under 81(3).²²⁷

To apply Articles 81(1) and 82, a national competition authority must also have a grant of power from the Member State government.²²⁸ EU authorization to apply Articles 81(1) and 82 is for all practical purposes ineffective without a corresponding grant of power from the Member State.²²⁹ For example, Germany's Bundeskartellamt has the power under the GWB to apply Articles 81(1) and 82 in administrative proceedings;²³⁰ but Sweden's competition authority has no such ability under Swedish competition law.²³¹

If a national competition authority is capable of only applying the law of its Member State, the application of that law should not prejudice the uniform application throughout the common market of the Community competition rules.²³² This rule is based on the primacy of Community law over national law²³³ and the obligation to cooperate found in the EC Treaty.²³⁴

In 1997, the Commission issued the NOTICE ON COOPERATION BETWEEN NATIONAL COMPETITION AUTHORITIES AND THE COMMISSION (Second Notice).²³⁵ The Second Notice describes the cooperation considered appropriate between the Commission and the national authorities.²³⁶ It does not affect the extent of the powers conferred by Community law on either the Commission or national authorities for the purposes of dealing with individual cases.²³⁷

The Second Notice asserts that national competition authorities are in a better position to detect restrictive practices or abuses of dominant positions whose effects are essentially confined to a Member State because they have a more precise knowledge of the relevant markets and businesses concerned.²³⁸ By enhancing the role of the national competition authorities, the Commission hopes to "boost the effectiveness of Articles 81 and 82" and "bolster the application of Community competition rules throughout the Community."²³⁹

According to the Second Notice, where a Member State competition authority applies Community law, it is required to comply with any decisions taken by the Commission in the same proceedings.²⁴⁰ If the Commission rules that an agreement, decision, or concerted practice violates Article 81(1) or 82, the ruling precludes the application of a domestic legal provision authorizing what the Commission has prohibited.²⁴¹

Can a national authority apply its more stringent national competition law to an agreement, decision, or concerted practice if it is covered by a block exemption or the Commission already granted an individual exemption? According to the Second Notice, there is no clear answer to this question.²⁴²

The Commission concedes that comfort letters from the DG IV do not bind the national competition authorities, but it hopes that the national authorities will consider the opinions expressed in them when deciding whether to initiate a proceeding.²⁴³ Because the European Court of Justice ruled that comfort letters were not binding on the national courts, they should not be binding on national authorities either.²⁴⁴

The Second Notice distinguishes between three types of comfort letters. In the first category, the DG IV sends a letter expressing the view that an agreement or practice is incompatible with Article 81, but also states that no proposal to the Commission will be made for a formal decision for logistical reasons.²⁴⁵ The Commission believes in that case that the national authorities in whose territory the effects of the agreement or practice are felt may take action.²⁴⁶ In the second category, the DG IV expresses the opinion in a comfort letter that an agreement does restrict competition

within the meaning of Article 81(1), but qualifies for an individual exemption under Article 81(3).²⁴⁷ In that case, the Commission intends to call upon the national authorities to consult it before they decide whether to adopt a contrary decision under Community or national law.²⁴⁸ In the final category, the DG IV expresses the opinion that there is no need to take any action because neither Article 81 or Article 82 apply.²⁴⁹ According to the European Court of Justice, such a comfort letter does not prevent the national authorities from applying national competition law, which may be more stringent than Community law.²⁵⁰

It is not uncommon for a national authority to have a choice whether to apply its national competition law or Community competition law in a case, provided both are applicable to the same agreement, decision or concerted practice. In such cases, the decision to apply Community competition law instead of national law is a pragmatic one.

For each international transaction likely to have an effect on trade between Member States, Community competition laws must be contemplated in administrative proceedings before German enforcement authorities.²⁵¹ The Bundeskartellamt has held several proceedings in which both the GWB and Articles 81(1) and 82 applied simultaneously.²⁵² In one proceeding, two competing travel agencies, Toursistik Union International (TUI) and NUR Touristik (NUR), formed contracts with Spanish hoteliers containing exclusive dealing clauses according to which the hoteliers were forbidden to rent rooms to TUI and NUR competitors.²⁵³ Article 81(1) was applicable because the agreement had an anti-competitive effect on the German travel market and on the hotel market in Spain.²⁵⁴ §18 of the former GWB applying to vertical restraints of trade was also applicable.²⁵⁵

The Bundeskartellamt elected to challenge the practice under Article 81(1) of the EC Treaty instead of under §18 GWB.²⁵⁶ The reason for its decision was based on a pragmatic consideration: Article 81(1) required fewer elements for its application than §18 GWB.²⁵⁷ Therefore, the Bundeskartellamt found it more convenient to apply EU law.²⁵⁸

TUI tried to have the proceedings stayed by submitting an application for a negative clearance or individual exemption under 81(3) at the appeal stage.²⁵⁹ However, the Bundesgerichtshof (Federal Supreme Court) expressly upheld the lawfulness of the Bundeskartellamt's decentralized application of Community competition law and ruled that the exclusive dealing clauses seriously harmed competition in the German travel market.²⁶⁰ Furthermore, it refused to stay the proceedings.²⁶¹

The Bundeskartellamt has also found it convenient to apply Community competition law when exemptions under German competition law would prevent the application of the GWB. The former GWB contained exemptions applying to the utility industries that no longer apply.²⁶² In a case involving a challenge to a licensing agreement between a utility and a municipality, the Bundeskartellamt applied Article 85(1) because the exemption under the GWB would have prevented the application of German competition law.²⁶³ The former GWB also had exemptions for transport industries.²⁶⁴ In a case involving a resale price maintenance agreement, Article 85(1) applied where the GWB did not apply because of the exemption.²⁶⁵ The Bundeskartellamt had planned to apply Article 81(1) in order to challenge the practice and avoid the GWB exemption, but this was no longer necessary after the recent amendment to the GWB became effective January 1, 1999 and eliminated the exemption for transport industries.²⁶⁶

Three factors could discourage the national authorities from applying Community competition law. First, the Commission can stop proceedings in Member States at any time by initiating its own proceedings.²⁶⁷ Second, the Commission has the exclusive power to grant individual exemptions under Article 81(3) and in effect stop proceedings by Member States.²⁶⁸ Third, Member States may not impose fines under EU law for violations of competition rules.²⁶⁹ Therefore, the application of Community competition law by a national authority may be interrupted or terminated

if at any time the Commission initiates proceedings, and Member States cannot bring as much pressure to bear when applying European Competition law since they cannot impose fines.²⁷⁰ Furthermore, the situation is worse in Member States that cannot apply European competition rules in the first place absent national laws allowing their competition authorities to apply EU law.

An issue arises whether a national authority like the Bundeskartellamt can apply Community competition law consistent with the policies of the Commission and yet operate independently of industrial policy considerations. The Bundeskartellamt is not permitted to consider industrial policies in its decisions. However, one policy goal of Community competition law is the prevention of restrictive practices that interfere with the integration of the separate Member State economies into a unified common market.²⁷¹ Germany is of the opinion that industrial policy goals should not influence the way in which German competition law is applied.²⁷² Can the Bundeskartellamt therefore apply Community competition law to reach results consistent with the Commission if it does not take economic integration into consideration?

c) Parallel Proceedings

Walt Wilhelm and Others v. Bundeskartellamt²⁷³ is the leading case dealing with conflicts in dual enforcement of competition laws involving parallel proceedings. In it, the European Court was called upon to review Article 83(2)(e) of the Treaty of Rome. Article 83(2)(e) grants the European Council the power to define the relationship between national competition laws and Community competition laws either by regulation or directive. The case arose after the Bundeskartellamt fined four German producers of dyes for price fixing in violation of the GWB. While the dye producers appealed to the Kartellsenat of the Berlin Court of Appeals (Kammergericht) in Berlin, the Commission initiated parallel proceedings under Article 81 to challenge the very same price fixing activities. The Berlin Court of Appeals stayed its own proceedings once the dye producers protested that the Court could not proceed in view of the possible conflict between EU and German competition law. It then requested a preliminary ruling on that issue from the European Court of Justice.

The European Court of Justice noted that the EU and German outlook upon cartels and restrictive agreements differed. The overriding policy interest in Article 81 is the economic integration and preservation of trade between the Member States. Member States apply national competition laws based more on each state's own priorities and policy considerations. Therefore, the Court concluded that certain agreements could be the target of parallel proceedings.

However, to ensure that the general aims of the EC Treaty were protected, the Court held that parallel proceedings on the national level are tolerable only if certain conditions were met. First, application of national laws must not prejudice the full and uniform application of EU law, or the full effect of measures adopted to implement that law. Second, Member States must not introduce or retain any laws that do not resolve conflicts between EU and national law in the EU's favor. Third, Member States have a duty to take appropriate measures to avoid the risk that a national decision on an issue of competition law might conflict with parallel, Commission proceedings.²⁷⁴

The Wilhelm decision stands for two important principles. First, Community competition laws are supreme where they conflict with national competition law, i.e., the "supremacy principle." Second, to the extent national competition laws and Community competition laws are in harmony, parallel proceedings can take place and may result in multiple liability. Two conditions are that the national proceedings must not interfere with the uniform and unrestricted application of EU law, and any earlier fines must be taken into account when imposing subsequent fines.²⁷⁵

d) Mergers: Exclusive EU Jurisdiction

The Commission has jurisdiction over all concentrations, i.e., mergers, acquisitions, and joint ventures, with a "community dimension."²⁷⁶ The determination of whether a concentration has a community dimension is measured by the turnover²⁷⁷ of the parties to the merger. If those thresholds are not met, Member States may apply their own competition laws to the transaction in question.²⁷⁸

The basis for merger enforcement by the Commission is Council Regulation (EU) No. 4064/89 (Merger Regulation).²⁷⁹ All transactions to which the Merger Regulation applies must be notified to the Commission before they can be concluded.²⁸⁰ The Merger Regulation applies if:

- (a) the total worldwide combined turnover²⁸¹ of all the enterprises is more than ECU 5 billion; and
- (b) the total Community-wide turnover of each of at least two
••••• of the enterprises concerned is more than ECU 250 million;
- (c) unless each of the parties achieves more than two-thirds
••••• of its aggregate Community-wide turnover within one and the same Member State.²⁸²

In 1997, an additional set of thresholds was amended to the Merger Regulation. Commission jurisdiction is now triggered when the total, combined Community turnover of all the undertakings concerned is more than ECU 100 million in each of three Member States.²⁸³ This has extended the scope of Community merger control to concentrations with significant impacts in several Member States. Furthermore, a new threshold was introduced where the total combined worldwide turnover of the enterprises concerned is more than ECU 250 billion.²⁸⁴ The purpose of these new thresholds was to further a "one-stop shop" system for mergers.²⁸⁵

The Commission investigates all notified mergers to assess whether or not they will create or strengthen a dominant position that significantly impedes competition in the market or a substantial part of it.²⁸⁶ Concentrations that do not meet the criteria are declared incompatible and must not be implemented.²⁸⁷ The Commission may grant clearance to a merger if binding agreements can be made with the parties to modify the merger so as to make it compatible.²⁸⁸

In order to reduce the impact of the Commission's partial monopoly on national authorities, there are two exceptions to the exclusive jurisdiction of the Commission.²⁸⁹ The first exception is that Member States may have jurisdiction where certain public interests are at stake, such as public security.²⁹⁰ The second exception is where the Commission, upon the request of a Member State, determines that a merger should be handled by a national competition authority because it creates or threatens to create a dominant position in a distinct market within the corresponding Member State.²⁹¹

Member States can apply their competition laws to mergers that do not meet the thresholds of the Merger Regulation and trigger European merger control. For example, the GWB provides that those mergers falling under the Merger Regulation are not subject to German merger control.²⁹² A proposed merger requires advance notification if the following conditions are met:

- 9) the undertakings achieved a combined turnover of at least DM 1 billion during the completed business year preceding the merger;²⁹³ and
- 10) at least one undertaking achieved a domestic turnover of a minimum DM 50 million.²⁹⁴

German merger control does not apply if an undertaking records a turnover of less than DM 20 million in the last business year, provided the undertaking is not a subsidiary of some other controlling undertaking.²⁹⁵ Furthermore, German merger control does not apply in so far as a market is affected in which goods or commercial services have been supplied for at least five years and the market in the last calendar year had a turnover of less than DM 30 million.²⁹⁶

It is expected that approximately two-thirds of German merger cases will no longer be subject to the notification requirement since the last amendment to the GWB increased the turnover thresholds triggering German merger control.²⁹⁷

4) Dual Enforcement Problems

Dual enforcement of Community competition law has been hindered by the degree to which the Commission has retained control over the application of Article 81(3). Regulation 17 is the basis for the current system of centralized authorization for all restrictive practices requiring an exemption. Under Regulation 17, the national courts and national competition authorities may apply Article 81(1). However, the power to grant exemptions under Article 81(3) from the prohibition in 81(1) belongs to the Commission exclusively.

The centralized authorization system based on prior notification and the Commission's exemption monopoly has led undertakings to notify large number of restrictive practices to the Commission.²⁹⁸ Since national competition authorities and courts have no power to apply Article 81(3), undertakings have used this decentralized authorization system to block private actions before national courts and national competition authorities.²⁹⁹ Undertakings systematically notified their restrictive practices to the Commission, which was soon faced with impossibility of dealing by formal decision with the thousands of cases submitted given its limited resources.³⁰⁰ This undermined efforts to promote a decentralized application of EU competition rules.³⁰¹

Due to the deluge of notifications that continue to ensue, the Commission has not been able to focus on the most serious cases involving restrictions on competition, or to close all the cases it has to handle by formal decision.³⁰² Between 1988 and 1998, proceedings initiated by the Commission to investigate and take action against unlawful restraints accounted for 13 percent of new cases while notifications accounted for 58 percent.³⁰³ Of cases closed, only an average of 6 percent closed by formal decision.³⁰⁴

Furthermore, the national courts and national authorities have had less incentive to apply Community competition law while undertakings may thwart national proceedings by notifying restrictive practices to the Commission.

Currently, the Commission believes that the NOTICE ON COOPERATION BETWEEN NATIONAL COURTS AND THE COMMISSION has "reached [its] limit within the existing legal framework."³⁰⁵ Private parties remain reluctant to petition the national courts when they have suffered harm as a result of an infringement of competition law.³⁰⁶ The Commission also believes that the Second Notice has "reached [its] limit within the existing legal framework."³⁰⁷ As soon as the Commission initiates a procedure, the competition authorities lose their jurisdiction.³⁰⁸ Undertakings involved in national proceedings can therefore thwart the enforcement efforts of a national authority by notifying their restrictive practices to the Commission.³⁰⁹ The Commission addressed the problem of dilatory notifications in the COMMISSION NOTICE ON COOPERATION BETWEEN NATIONAL COMPETITION AUTHORITIES AND THE COMMISSION, stating that where a notification was primarily intended to suspend national proceedings, the Commission considers itself justified to not examine the notification as a matter of

priority.³¹⁰ However, the Commission concedes that this mechanism for cooperation with the national authorities has not led to the success it had expected.³¹¹ It cites its monopoly on the power to grant exemptions under Article 81(3) as the cause.³¹²

On April 28, 1999 the Commission issued a WHITE PAPER ON MODERNISATION OF THE RULES IMPLEMENTING ARTICLES 85 AND 86 OF THE EC TREATY (WHITE PAPER).³¹³ This working paper outlines a proposed reform to the current system of Commission Article 81(3) monopoly. In the WHITE PAPER, the Commission expresses its intent to reform the current system so that the Commission can refocus on initiating its own proceedings to investigate and take action against the most serious infringements of Community competition law, which are almost never notified.³¹⁴

The proposed reform involves the abolition of the notification and exemption system and its replacement by a Council Regulation which would render the exemption rule of Article 81(3) directly applicable without prior decision by the Commission.³¹⁵ Such regulation would have as its basis Article 83 of the EC Treaty, and would stipulate that all national authorities or courts before which the applicability of Article 81(1) was invoked would also consider the applicability of Article 85(3).³¹⁶

As is already the case for Articles 81(1) and 82, Article 81(3) would be applied by the Commission, national competition authorities, and national courts.³¹⁷ Undertakings would be able to invoke Article 81(3) as a defense in court cases and obtain immediate civil enforcement of restrictive practices that satisfy the exemption requirements.³¹⁸

This new rule would also mean that restrictive practices could no longer be notified in order to be validated.³¹⁹ Under the new proposed system, undertakings would have to make their own assessment of the compatibility of their restrictive practices with Community competition law, in light of the legislation in force and the case law.³²⁰

According to the WHITE PAPER, the Commission will not entirely relinquish its control over the exemption process. It plans to reserve ex post control to "ensure the coherent application of the rules throughout the Community."³²¹ First and foremost, the Commission will have the power to transfer a case from a national competition authority's jurisdiction to its own if the risk arises that the national competition authority will diverge from Commission competition policy.³²² Furthermore, national competition authorities and courts would be required in the new regulation to inform the Commission of any proceedings in which Articles 81 or 82 are applied, or in which an application of national law might have implications for Community proceedings.³²³ The Commission could then intervene in judicial or administrative proceedings as *amicus curiae* to help maintain consistency in the application of the law.³²⁴

In the future, therefore, a directly applicable exception system in the EU will be in place and should have the following three main elements:

- (a) the end of the system of notification and authorization;
- (b) decentralized application of the competition rules; and
- (c) intensified ex post control by the Commission.³²⁵

5) Coordination

The Commission has a duty to cooperate with the Member States: Article 5 of the EC Treaty

establishes the principle of cooperation between the Community and the Member States in order to obtain the objectives of the Treaty. Article 5 provides that Member States shall:

- (a) take all appropriate measures, whether general or particular, to ensure fulfillment of the obligations arising
•••••out of [the] Treaty or resulting from action taken by the institutions of the Community;
- (b) facilitate the achievement of the Community's tasks; and
- (c) abstain from matters which could jeopardize the attainment of the objectives of the Treaty.

This includes the implementation of Article 3(f), which refers to the establishment of a system ensuring that competition in the market is not distorted.³²⁶ The European Court of Justice has ruled that the Commission has a duty to cooperate with the judicial authorities of the Member States.³²⁷

The Commission has a duty to transmit copies of applications and notifications to the Member States relating to Articles 81 and 82.³²⁸ The Commission must also consult an Advisory Committee on Restrictive Practices and Monopolies consisting of officials from the Member States prior to making a final decision.³²⁹ The Commission supplies the Committee with a draft decision and the Committee has the authority to issue an opinion on.³³⁰

The Commission has attempted to coordinate dual enforcement in other ways. It has issued the two notices on the application of Community competition law by national courts and national authorities.³³¹ It has also coordinated efforts by erecting a preemptive legal framework in those areas where Member States find it acceptable. As mentioned in this section, the EU Merger Regulation gives sole jurisdiction to the Commission once the necessary thresholds are met. Exceptions to this rule are possible if an adverse effect on a local market or the implication of national interest arise.³³²

The Bundeskartellamt and the Commission do cooperate. The European and International Division of the Bundeskartellamt represents Germany at the Advisory Committee meeting (another of its functions is to coordinate contacts with the EU and other foreign competition authorities). It has become the conduit through which the Bundeskartellamt communicates its position to the European Commission. The role of the Division becomes more important to Germany as the European Commission assumes more influence on competition law matters.³³³

There are legal barriers to coordination between the national authorities and the Commission. Regulation 17 currently prohibits national competition authorities from using information supplied by the Commission as evidence.³³⁴ In the White Paper, the Commission recommends that its proposed regulation permit this.³³⁵ Under the proposed regulation, if the effects of a disputed practice are felt primarily in one Member State, the Commission would be able to send the whole of a file, including any confidential information, to the competent authority in that Member State.³³⁶ The national authority could then continue the Commission's investigation making direct use of the information provided to it.³³⁷ Likewise, a national authority could forward its file to the Commission if it comes to the conclusion that a case has a Community dimension and requires action by the Commission.³³⁸ Such information could be used only for the purpose for which it was originally collected and for the application of Articles 85 and 86, or of national competition law as the case may be.³³⁹

6) Conclusion

In the US, federal antitrust authorities do not have the power to direct or prevent state antitrust

enforcement efforts. Federal and state governments are essentially coequals in antitrust enforcement, primarily because Congress has not reserved exclusive antitrust jurisdiction to the federal government³⁴⁰ and courts have (on federalism grounds) held that federal antitrust laws generally do not preempt state antitrust laws.³⁴¹ In the US, federal antitrust law applies in federal courts while state antitrust law applies in state courts. Although states can bring suits under federal antitrust laws in federal courts, federal antitrust law is never applicable in state courts.

In general, EU authorities enforce European competition law while national authorities enforce national competition laws. EU competition authorities enforce European competition law, but national competition authorities may enforce European competition law and national competition laws. Community competition laws can apply in national courts and in administrative proceedings initiated by national enforcement authorities. The one area in which European competition authorities have exclusive jurisdiction to enforce European competition law is in the merger area (depending on the sales figures of the merging entities). Where European competition law and national competition law apply to an individual restraint of trade or anti-competitive act simultaneously, European competition law generally preempts national competition law. However, to the extent national competition laws and Community competition laws do not conflict with one another, parallel proceedings before European competition authorities and national courts or authorities can occur and result in multiple liability.

The EU has reserved exclusive jurisdiction to the Commission in the merger area while at the same time facilitating a decentralized enforcement of Community competition law with the express intention of ensuring adequate enforcement.³⁴² Community competition law is directly applicable in national courts and administrative proceedings. Although the Commission has tried to facilitate decentralized enforcement of Community competition law, it has at the same time maintained a centralized authorization system for all restrictive practices requiring an exemption.

The primary reason for decentralized dual enforcement is that the administrative resources at the Commission's disposal are necessarily limited and cannot be used to deal with all the cases brought to its attention.³⁴³ Although the EU dual enforcement system is decentralized, it is not premised on the notion that there are multiple approaches to certain problems even if this value comes at the cost of inefficiency or inconsistent results. Instead, the EU has made European competition law directly applicable while at the same time reserving control in the Commission to ensure that the national courts and authorities apply Community competition law in a uniform fashion. Where reserving too much control has hindered adequate enforcement, the Commission has resorted to increased coordination and even increased decentralization to avoid inefficiencies or inconsistent results, but the Commission has never relinquished ultimate control over the manner in which Community competition law is applied.³⁴⁴ However, the Commission plans to share power to grant exemptions with the Member States while reserving the power to remove competition cases from the national courts and administrative proceedings at its discretion.

Dual enforcement has also created a need for substantial coordination.³⁴⁵ Coordination has been accomplished using Commission notices on the application of Community competition law in national courts and by national authorities, a preemptive legal framework in the merger area, and cooperative investigations. The overall adequacy of enforcement in relation to dual enforcement is a more vital issue in the EU insofar as the Commission values the uniform application of Community competition law.³⁴⁶

Some have suggested that the EU should adopt American coordination techniques.³⁴⁷ However, the need for coordination in the EU is substantially different than the US need for coordination. Coordination of enforcement efforts is a higher priority in the EU because Member States implement EU law, EU law is directly applicable in the national courts, and it is very important to

allocate resources at the community level proportionate to increases in enforcement responsibilities.³⁴⁸ Moreover, the Commission and the Member States have a legal duty to cooperate. There is no equivalent duty to cooperate in the US.³⁴⁹

Historically, most Member States lacked well-developed competition law systems and developed their competition laws with the goal of uniformity with Community competition law.³⁵⁰ For those Member States such as Germany with more developed enforcement traditions, they have been willing to harmonize national law, albeit not entirely. An issue arises whether a national authority like the Bundeskartellamt can apply Community competition law consistent with the policies of the Commission and yet operate independently of industrial policy considerations. The Bundeskartellamt is not permitted to consider industrial policies in its decisions. However, one policy goal of Community competition law is the prevention of restrictive practices that interfere with the integration of the separate Member State economies into a unified common market.³⁵¹ Germany is of the opinion that industrial policy goals should not influence the way in which German competition law is applied.³⁵² Can the Bundeskartellamt therefore apply Community competition law to reach results consistent with the Commission if it does not take economic integration into consideration?

Notes

1 J.D., University of Washington School of Law; Member, Washington State Bar. This article was submitted to Professor John O. Haley of the University of Washington School of Law as an independent study. The author wishes to thank Professor Wernhard Möschel and his staff at the Eberhard-Karls-Universität Tübingen for providing their indispensable guidance. Funding for research in the US and the Federal Republic of Germany (Germany) was made possible by the Chester Fritz Scholarship for International Exchange of the University of Washington. The author is currently participating in the Program for International Lawyers hosted by the German Academic Exchange Service until July 2000.

2 The field of law that Americans refer to as "antitrust" is generally referred to as "competition law" in Europe. RALPH E. FOLSOM, MICHAEL W. GORDON, *INTERNATIONAL BUSINESS TRANSACTIONS* 876 (1995). The term "dual enforcement" is defined in this article to mean a system of antitrust law enforcement that recognizes separate sovereigns. See Thomas M. Wilson III, *The Specter of Double Recovery in Antitrust Federalism* in 58 *ANTITRUST LAW JOURNAL* 1 (1989).

3 It is important to differentiate the terms "European Community", "European Union", "Common Market" and "European Economic Community." Modern European integration started with the European Coal and Steel Community (ECSC) in 1951. The ECSC was expanded by treaty in 1957 with the TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY (EC Treaty). After the 1986 SINGLE EUROPEAN ACT, the term EU was used to signify the collection of states which had dedicated themselves to achieving economic integration. In 1992, the MAASTRICHT TREATY ON EUROPEAN UNION (Maastricht Treaty) was ratified. It amended the EC Treaty and changed the title of the European Economic Community to the European Union (EU) in order to emphasize the heightened commitment to unification embodied in the Maastricht Treaty. Therefore, the term "EU" applies to the pre-Maastricht political entity and the term "EU" should apply to the post-Maastricht political entity. Alissa A. Meade, *Modeling a European Competition Authority*, 46 *DUKE L.J.* 153, (1996) at footnote 4.

4 ABA ANTITRUST SECTION: MONOGRAPH NO. 15, *ANTITRUST FEDERALISM: THE ROLE OF STATE LAW* (1988) at 13. See generally, Herbert Hovenkamp, *State Antitrust in the Federal Scheme*, 58 *INDIANA L. J.* 3 (1983).

5 See *Hillsborough Co. v. Automated Medical Laboratories, Inc.*, 471 U.S. 707 (1985).

6 TREATY ESTABLISHING THE EUROPEAN ECONOMIC COMMUNITY (1957) [hereinafter EC Treaty].

7 D. G. GOYDER, *COMMUNITY COMPETITION LAW* 427(1993).

8 *Id.*

9 For an overview of each Member State's competition laws, see EUROPEAN COMMISSION, *THE APPLICATION OF ARTICLES 85 & 86 OF THE EC TREATY BY NATIONAL COURTS IN THE MEMBER STATES* (August J. Braakman, Nauta Dutilh, eds. 1997).

10 GOYDER, *supra* note 7 at 427.

11 Randolph W. Tritell, Mark F. Friedman, *Fundamentals of EEC Competition Law: The Framework of EEC Competition Law in 40TH, ANNUAL ABA ANTITRUST SPRING MEETING* (1992) at 13.

12 Spencer Weber Waller, *Fundamentals of EEC Competition Law: An Overview of Articles 81 and 82 of the Treaty of Rome in 40TH ANNUAL ABA ANTITRUST SPRING MEETING* (1992).

13 Even though the substantive rules of Community competition law and US antitrust law are, generally speaking, similar, their application often differs because this goal above is alien to the US system.

14 These principles are also reflected in EC Treaty, arts. 30-36 (free movement of goods) and arts. 67-73 (free movement of services). Tritell, Friedman, *supra* note 11 at 6; EUROPEAN COMMISSION, *supra* note 9 at 3.

15 EUROPEAN COMMISSION, *supra* note 9 at 178.

16 *Id.*

17 *Id.*

18 Article 12 of the Treaty of Amsterdam came into force on May 1, 1999. It provides for the renumbering of the articles of the EC Treaty. For example, former Articles 85 and 86 are now numbered Articles 81 and 82 respectively. See the following chart for other changes.

Old Number

New Number

85

81

86

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87

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88

84

89

85

90

86

91 (repealed)

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93

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89

19 EUROPEAN COMMISSION, *supra* note 15 at 16.

20 EC Treaty, art. 81(1).

21 *Id.* A concerted practice between undertakings is a form of cooperation based on an understanding of an exchange of information. Case T-7/89, *Hercules v. Commission*, [1991] II E.C.R. 171.

22 EC Treaty, art. 81(1) prohibits "all agreements between undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the common market."

23 James S. Venit, *Community competition law - Enforcement and Compliance: An Overview*, 65 *ANTITRUST L.J.* 81 (Fall 1996).

24 EC Treaty, art. 81(1), (a)-(e).

25 Venit, *supra* note 23.

26 The relevant product market includes all products that are interchangeable with the product in question. Case 85/76, *Hoffman-LaRoche v. Commission* [1979] E.C.R. 461.

27 The relevant geographic market comprises an area where the objective conditions of competition must be the same for all traders. Case 27/76, *United Brands v. Commission*, [1978] E.C.R. 207, par. 44.

28 EC Treaty, art. 82(a)-(d).

29 Case 27/76, *United Brands v. Commission*, [1978] E.C.R. 207.

30 Case 85/76, *Hoffman-LaRoche v. Commission*, [1979] E.C.R. 461.

31 Case 322/81, *Michelin v. Commission*, [1983] E.C.R. 3461.

32 *Id.*

33 Case 27/76, *United Brands v. Commission*, [1978] E.C.R. 207.

34 *Venit*, supra note 23.

35 EC Treaty, art. 86(1). EUROPEAN COMMISSION, supra note 9 at 11.

36 EC Treaty, art. 87. The distinction between rules applying to undertakings and those applying to Member States are understood by examining the provisions relating to State monopolies of a commercial character in Article 37 of the EC Treaty. State monopolies of a commercial character are bodies through which a Member State in law or in fact, either directly or indirectly supervises, determines or appreciably influence imports or exports between Member States. EC Treaty, art. 37. The term also includes monopolies delegated by a Member State to others. *Id.* The EC Treaty does not require that state monopolies of a commercial character be abolished, but they must be progressively adjusted so as to ensure that no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States. EUROPEAN COMMISSION, supra note 9 at 12.

37 EC Treaty, art. 87(2), (3).

38 EC Treaty, art. 86.

39 Commission Regulation 17/62, 13/204, [1962] O.J. 1959-62 [hereinafter Regulation 17/62], adopted in March 1962 by the Council of Ministers. For a full discussion of Community competition law, see *Venit*, supra note 23.

40 Regulation 17/62, art. 9.

41 The Commission is located in Brussels and consists of twenty commissioners appointed by the Member States. Commissioners are expected to serve the interests of the Union rather than their national States. The Commission may also initiate policies to further the objectives of the Treaty of Rome, propose legislation, and negotiate certain agreements on behalf of the Union. The Commission also has the task of assuring that Member States comply with the Treaty of Rome and Community legislation.



"Horace Cheung"

28/03/2006 08:58

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: _____



"horace.kwan"

15/03/2006 18:57

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) 啟

29 March 2006

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

Dear Sir,

I would like to express my views on the Stage II Consultation paper.

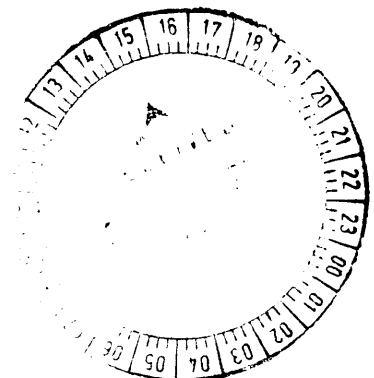
The reduced 7-11% permitted rate of return and the shortened regulatory period will increase investment risks and power utility investors will therefore reduce their investments in electricity infrastructure. Without adequate investment, the electricity supply reliability will degrade and the risks of power shortages will increase.

The government should ensure sufficient incentives such that the power companies will continue to maintain the existing electricity supply reliability.

Yours faithfully,



Horace Pat



H O R I Z O N - D O B S O N L T D

15/F, King's Commercial Centre, 25 King's Road, Hong Kong

tel 2882 2229

fax 2882 6900

8 March, 2006

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 Future Development of the Electricity Market in Hong Kong

We operate a design house on Hong Kong Island and know how important power reliability is and we want to offer our views on the future development of the electricity market in Hong Kong.

Electricity supply is important to our design house and it will affect our operation and business. Therefore we urge the Government not to do anything that would impact on the reliability of power supply.

We believe that Hong Kong has a very reliable power supply and we worry that if rate of return for power companies is lowered, it may affect power companies' willingness to continue with their investment in Hong Kong.

On environmental issues in the consultation paper, while we agree that measures should be implemented to try to improve air quality in Hong Kong, we however doubt whether the proposals in the consultation paper will be effective in encouraging power companies to reduce emissions.

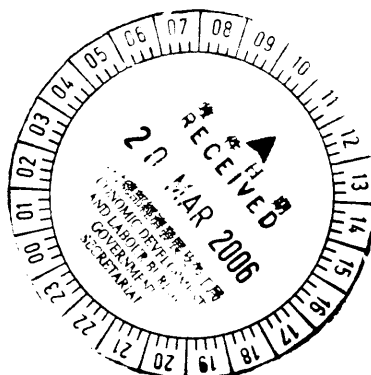
Please consider our views and try to balance the facts of power supply reliability whilst introducing new stakeholders in the market.

Thank you for your consideration.

Yours faithfully,



Trevor Wong
Director





醫院管理局

HOSPITAL
AUTHORITY

蘇利民 行政總裁

Shane Solomon
Chief Executive

29 March, 2006

Our Ref: HA/EM/881/1/3/3
Yr Ref : (23) in EDB 24/26/18

Secretary for Economic Development and Labour
(Attn: Mr George Ling)
Economic Development and Labour Bureau
Government Secretariat
Central Government Offices
Lower Albert Road
Hong Kong

Dear Mr Ling,

Consultation Paper on Future Development
Of the Electricity Market Review
Stage II Public Consultation

Thank you for inviting Hospital Authority to provide views on the Stage II Consultation Paper following on the Authority's responses to the Stage I Consultation Paper made in April 2005.

The Authority's views on the Stage II Consultation Paper are in line with the three major considerations on environmental, economical and reliability laid down previously in the Authority's responses to the Stage I Consultation Paper. These views are shown in the enclosure for your perusal. I hope the Authority's views will contribute in the development of a better electricity market for the benefits of all parties concerned.

If there are needs to involve consumers in any discussion forums or seminars, the Authority will be delighted to have Dr. M Y Cheng (Deputy Director) and Mr P L Yuen (Executive Manager) represented the Authority to participate in any future liaison meetings with your office and the two utility companies. Dr Cheng and Mr Yuen can be contacted at 23006305 and 23006892, respectively.

Yours sincerely,

(Shane Solomon)
Chief Executive

Summary of Views of the Hospital Authority (HA) on Future Development of the Electricity Market in Hong Kong

Environmental Consideration

HA welcomes the setting up of a concrete target on adopting renewable energy in electricity generation by giving financial incentives and a higher rate of return to the utility company.

In addition, by facilitating and easing the grid connection / access for renewable energy, it will certainly encourage the use of cleaner renewable energy by individual consumers in the form of distributed generation.

In fact, distributed generation by either using renewable energy or high efficiency Combined Heat and Power (CHP) System (also known as co-generation / tri-generation) are becoming very popular and being widely adopted in Europe and US. There are numerous examples in UK hospitals where energy efficient CHP systems have been successfully installed.

If more individual consumers are able to install CHP System in Hong Kong, this will help to alleviate the peak demand of the utility companies and lower the electricity transmission losses. Higher energy efficiency will be achieved and less fossil fuel will be used resulting in lower emission and pollution of the environment.

Economical Consideration

HA appreciates the effort of the Government in lowering the rate of return of the utility company taking into consideration of the economic situation of Hong Kong. The suggested different rates for different assets will provide better transparency to the public and a clearer direction for the utility company.

The features of annual Government review and approval of all tariff adjustments along with disclosure of more information from utility companies will open up means to achieve the policy objectives in ensuring consumers to enjoy a reasonable electricity prices. The proposed lowering of the cap of the Tariff Stabilisation Fund will further smooth out the need for tariff increase over time.

There are strong reasons to request, as suggested, for the two utility companies to interconnect together, aside from mutual emergency support, to improve the utilization of electricity generation and supply in an efficient and cost-benefiting manner. Such marked benefits can be easily revealed by the current interconnection of the CLP grid with those across the border in the Mainland. A better and healthier electricity market will be formed based upon a well-connected and managed electricity supply grid across the whole Hong Kong.

Reliability Consideration

HA considers there is a need for the Government to strike a balance on the rate of return of utility companies against the reliability of electricity supply. HA supports the creation of a separate regulatory authority to look closely and simultaneously into all aspects of the electricity market development in Hong Kong. There should be concrete plan with targets and timetable to bring in healthy market competition to nurture good market operators for the benefit of consumers at large.

* * *



"Hoss Heinz"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

Urgent Return Receipt

28/03/2006 13:01

To: Economic Development and Labour Bureau

As a Hong Kong citizen since 1969, I am concerned about the air pollution caused by the two 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 alone 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,

H. Hoss

Hoss Heinz



"Houston Mildred"

27/03/2006 09:19

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:

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: _____



"houwen straus"

24/03/2006 16:37

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: _____



"howard bilton"

28/03/2006 12:37

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 permanent resident, I am very concerned about the air pollution caused by the power stations. I think it is vital that the government enhance control in the electricity market, so as to restrict all pollution caused by power generation. .

If we don't get cleaner air then many will leave Hong Kong.

Our children should not have to grow up in this disgusting air quality.

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: Howard Bilton_____



"Cheung, Howard"

24/03/2006 13:49

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Clean my air!

Urgent Return Receipt

To: Economic Development and Labour Bureau

Dear Madam/Sir,

Thank you for this great opportunity for me to voice my concerns. As a Hong Kong citizen, I am disgusted by the air pollution caused by the power stations. To protect my health, and the health of my family, I demand that the Government enhance the control of air pollution due to the power generation, under the future electricity market. This "future market" must not become the pretext for power companies to escape their social and environmental responsibilities to protect.

I recommend:

1. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be transferred to consumers;
2. 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;
3. An investment in renewable energy should earn an even higher level of permitted rate of return;
4. An Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
5. The targets and time-table for reduction of coal burning should be set;
6. Cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
7. Demand management must be built into the profits of the company. There must be a mechanism where they profit if they can significantly reduce energy demand. At present they only profit from increased demand.

I demand that the SAR Government provide clean air for me and my family.

Howard Cheung



"Howard Clark-Burton"

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 16:15

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:

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: _____



"Howard Elias"

24/03/2006 16:59

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: _____



"howard lambert"

24/03/2006 21:24

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: _____



"Howard Liu"

27/03/2006 18:31

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,

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;
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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: ___Howard Liu_____



"Howard Wong"

18/03/2006 15:10

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,

Howard Wong



Suk Fun Ho

03/03/2006 16:32

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Future Development of the Electricity Market in HK Stage II
Consultation

Urgent Return Receipt

Dear Sir,

CLP & HKE are now providing very reliable electricity supply to all HK people. CLP has already frozen the price for many years but HKE does not. HK Government should monitor the the cost control for both companies.

I do not think it is the time to introduce new players into HK at this moment. How can HK Government ensure the new players can provide such reliable power supply with lower cost.

HK economy is not growing up. It is not a suitable time to introduce new player.

Best Regards,
HSF



"HT Suen"

27/03/2006 22:44

Please respond to htsuen

To: electricitycommentstage2@edlb.gov.hk

cc:

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

Urgent Return Receipt

Dear Sir/Madam,

The following is my comments on the above.

1. The current Scheme of Control has been very effective ever since it was introduced. The utilities have provided adequate and reliable power supply to the community.
2. Investment in the electricity infrastructure and fuel supply contract are long term commitment. The proposed 10-year regulatory framework should be restored to the 15-year period.
3. The proposed 4-tiered rate of return in the range of 7%-11% for different asset types is too low to attract the huge and long-term investment. Furthermore, the cost of raising capital is the same for all types of asset. Hence the rate of return should be the same.

Yours truly,

HT Suen

Professional : Electrical Engineer

Regarding the duration of agreement, it should not be on a 10-year term as it is too short for a long term investment. The existing 15-year term is quite reasonable. Regarding the environmental protection issue, the emission penalty should be fair and reasonable.

We, as consumers of electricity, are also responsible for polluting the environment. Therefore both the producer and the consumer of electricity should shoulder the responsibility of polluting the environment. The Government should educate the public on saving energy and make the public aware of protecting our environment. (similar to the cases of encouraging saving water resources and promoting using fewer plastic bags).

In conclusion, the Government should be fair and reasonable in setting up the regulatory arrangement in the further electricity market.

Moreover, as electricity is a daily necessity for us and it is crucial to our economic and social development, a gradual change and a prudent approach are of utmost importance.

HT Tsui

26 March 2006

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

Dear Mr. Secretary,

As a middle-income professional who has been taking electricity for granted, I am deeply concerned with some of the proposals made in your Consultation Paper with respect to the future development of the Hong Kong Electricity Market.

Judging from the objections raised by the two electricity companies to your proposed reduction in the permitted rate of return, I am doubtful if there will be sufficient supply of electricity after 2008. Obviously the two power companies unanimously consider the 7-11% return rate too low to sustain continuous investment. In the absence of the required investment in electricity infrastructure, the supply reliability will be greatly jeopardized.

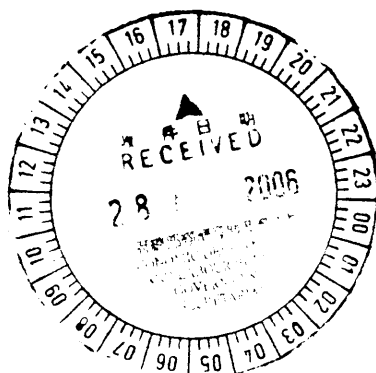
In the past few decades, the electricity supply record is unblemished thanks to the establishment of the Scheme of Control. Why should we rock the boat if there is nothing wrong with the system?

I hope that you kindly take my above view into consideration.

Yours truly,



Huang Tin Choi



26 March 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

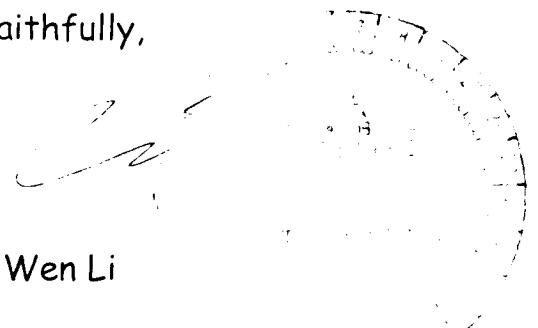
I would like to comment on the Stage II Consultation paper.

Electricity supply is a key infrastructure affecting the daily life of all the people and the economy of Hong Kong. The proposed 7-11% permitted rate of return is too low and 10-year regulatory period too short to provide enough incentives to the power companies to invest in their power systems.

The government should keep the regulatory period at 15 years and increase the permitted rate of return so that power utility investors will continuously invest in electricity infrastructure and maintain a high level of electricity supply reliability.

Yours faithfully,

Huang Wen Li





"Hudson"

27/03/2006 09:31

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,

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: _____



"Hugh Kerridge"

27/03/2006 14:28

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: Hugh Kerridge



"Hugh Osborne"

28/03/2006 14:41

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 that the government enhances 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.
7. Tourists are already voting with their feet and so will everyone else who can. What legacy are we leaving our children? Poisoned air and no choice but to breathe it in as they grow up, possibly condemning them to weak respiratory function in middle age and later life.

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

Sign: Hugh Osborne



"Hugh Robson"

29/03/2006 09:58

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: _____



"Hugh Striker"

24/03/2006 10:51

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: clean air for Hong Kong

Urgent Return Receipt

I want to make Hk my home but the air quality has become so bad that I may have to reconsider.

When traveling to Shenzhen I find that the air is even cleaner just across the border.

It is a disgrace for a world class city to allow the production of pollutants that are slowly killing its people.

Please bring back the clean air days that I remember from 10 years ago.

Hugh Striker



Hugo

17/03/2006 09:13

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 對‘香港電力市場未來的發展第二階段諮詢文件’的意見 =A3?=
 Urgent Return Receipt

經濟發展及勞工局局長,

本人乃一名電力行業從業員，以下是本人對‘香港電力市場未來的發展第二階段諮詢文件’的意見。

(A) 可再新能源

-
支持發展再新能源。這可改善香港人的健康和香港對外的形象。但現時可再新源成本高和往往需要熱電廠作為後備才可以保證有可靠的電力。加上現時的香港的可再新能源只有風力和太陽能可大量應用，不能滿足香港的龐大電力需求。大量地發展再新能源會令發電成本增加，香港的電費難免大幅加價。

(B) 來自內地的供應

-
競爭可加速進步和完善系統。盲目的競爭只會引至市場混亂，投資者無所適從，投機者混水撈魚，消費者無可避免受到傷害。以目前內地電力市場的情況和法制要維持有效的可靠電力供應給香港是不可能的。若香港的電力供應完全由內地供應而把香港的電廠完全關閉，在電力供應的地理位置角度來看是對電力系統的可靠性穩定性是不利的。把大量電力從內地輸港需要巨賂投資才可建成一個可靠的聯網，增加電力成本。加上由於電廠在內地，香港無法監管，為了降低成本，內地電廠的排污和對環境的污染可能比香港電廠更為嚴重。由於香港鄰近內地香港的環境因而變壞。

(C) 加強聯網

-
聯網可使兩家電力公司互通有無，減小備用電機，加強電力系統的穩定性。但過份的聯網只會增加成本而引至電費上升。

(D) 經濟規管

(i) 規管共具

-
十年為期的協議似乎太短。因為年期太短投資者會以短視的手法作為投資策略，他們會減小未來投資，縮減現有設備的維修，不作電力行業的人力培訓。這是對未來香港電力供應可靠性和穩定性有很大的影響。就以中電最近計劃興建的五十億元液化天然汽站為例，他們的假切是要有數十年的運作才可得到回報。

!

(ii) 投資回報

-
合理的投資回報可吸引有實力的投資者投入資金作長線投資。這對電力公司和香港電力市場的穩定性有很大的幫助。急速地從目前的13.5%~15%降低至零八年的7%~11%曾嚇走投資者，對電力市場的未來發展不利。建議的7%~11%的回報中以再新能源設備才享有最高的回報，其它的設備全小於11%，而因為再新能源只佔現有電力設備的很小的部份，這對投資者是不公道的。特別是投資在改善排污設備的回報並不吸引因此會令電力公司減低在這方面的投資。不能達到政府預期的效果。

謝謝先生給我機會在此發表我的意見。

祝身心安康。

電力從業員Hugo上

17th March 2006



"Hugo Cox"

28/03/2006 14:09

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: _____



"Hugo Denness"

27/03/2006 22:23

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:

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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: _____

29th March 2006

Economic Development and Labour Bureau,
2/F., Central Government Office,
Main and East Wing,
Lower Albert Road,
Central,
Hong Kong.

Dear Sirs,

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

I have submitted my comments on the Stage I Consultation paper in last year. After reading the Stage II Consultation report, I would like to provide my comments again for your considerations please.

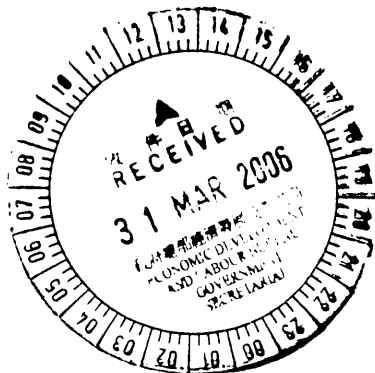
In last year (2005), after I submitted my comments on the Stage I Consultation paper, I paid my own money and took one day leave to attend an IEEE one day Distinguished lecturer course on Power Market on 9/9/2005. It is a subject concerned with not only me as an electrical engineer but also the future prosperity of Hong Kong while I don't think it is necessary for me to elaborate any more the importance of reliable electricity supply for a city like Hong Kong. I was told in the lecture that the experience in Northern Europe on opening power market was that there was no /lack of incentive for further investment.

It was not only the experience of Northern Europe, it was also pointed out by an ex-banker, Mr. Nicholas Bradbury (he was introduced as an 前項目融資 銀行家, EIU 出版的 "Infra Structure in China" 作者) in his paper published on the Hong Kong Economic Journal (信報) on 9/3/2006, 縮短電力公司專營權 打擊投資意欲.

As the existing SCA does serve the purpose of providing reliable and safe electricity supply to Hong Kong, the Government of HKSAR should maintain the SCA with no or litter modification after its expiry in 2008.

Yours sincerely


Hui CK



親愛的經濟發展及勞工局長。

以下是本人對政府對香港電力市場未來的發展的意見。

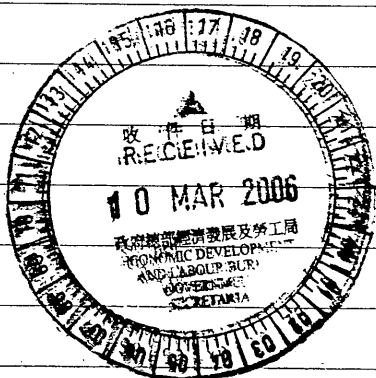
首先本人絕對反對中電的利潤回報設得太低，作為中電股東及投資者角度，絕會影響香港整體經濟。像一條經濟鍊，一層層的推經濟向下。

作為一個媽媽，為下一代着想，絕不贊成在排污方面為低回報。現在全民都在推行環保，拯救地球。

比較其他燃料費用，電費不算貴，其整個公司的員工，附屬公司，外判公司等都會因開放市場而受到衝擊，這只會製造更多失業，低收入人士，從而向政府申請綜援，何忍呢？

此外，協議年期至十年，試問有何公司還會作重大的投資在我們的香港，這絕對不利香港經濟及民生，香港不是要經濟穩定嗎？

最後，本人希望政府能作長遠兼固而不要短視。政府絕對因而穩固得益。謝謝。



nicole
Hui Man Yin
Hui Henry Yuen
7/3.



"Hui LI"

28/03/2006 19:25

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: _____



"Hui Wilson"

27/03/2006 23:06

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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

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

Sign: _____



"Hui Xu"

27/03/2006 11:25

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 attended high school and two years of university in Hong Kong before I moved to the United States 10 years ago. Last year, I decided to move back because Hong Kong is a fabulous city where I can return to my culture as a Chinese, but still enjoy all the international diversities. However, I was quite shocked to see how much more polluted Hong Kong has become over the past 10 years. I am very concerned about the levels of air pollution here. I am very glad to see that the government is at least doing something to minimize the environmental impact caused in the production and use of electricity.

I would like to see the following recommendations implemented:

1. It's great that the government is encouraging more investment in renewable energy sources. However, the government's target of having between 1-2% of our local power needs met by renewable energy sources by 2012 is too low. When I lived in California, I saw a lot of creative ways of using renewable energy resources. This target definitely can be raised higher.
2. Specific targets and timetables for a reduction in coal burning should be set. I think when there is a specific goal that people need to meet, it creates more result.
3. The permitted rate of return of power companies in Hong Kong is among the highest in the world and should be reduced to lower levels in line with rates of return in other countries. In addition, I think the government's proposal of fixing the permitted rate of return over a 10-year period, with an option to extend by another 5 years should be shortened.
4. Permitted rates of return should be linked to total emissions caps set forth in the power companies' licenses. Those power companies that cannot achieve the total emissions caps should have their rates of return further reduced.
5. Transparency in determining permitted rates of return is crucial, as is effective benchmarking against other jurisdictions and sectors to ensure a rate that is acceptable to investors and fair to consumers.
6. The government should impose strict total emissions caps on major pollutants. Severe penalties can be introduced to ensure the enforcement.
7. An Energy Administration should be established to coordinate the planning of the electricity market in terms of economic, social, environmental and regional development.

8. The only way to reduce pollution efficiently is to include regional effort as much and as quickly as possible. The timetable for cooperation in renewable energy development between Guangdong and Hong Kong should be sped up, including a regional blueprint for wind energy development.

9. A scheme of control should be created for the electricity market that creates a structure for best in class delivery, whereby existing 99.99% reliability rates are maintained, provides incentives to the electricity companies to enact world class standards on renewable energy and the use of clean fuel, and imposes appropriate safeguards to ensure that consumers continue to be protected and provided electricity at a reasonable cost.

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

Sign: Hui Xu

Hui Xu

March 25, 2006

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

(Fax: 2868-4679)

Economic Development and Labor Bureau

I am writing in response to the Hong Kong government's consultation paper of December 2005, "Future Development of the Electricity Market in Hong Kong."

I attended high school and two years of university in Hong Kong before I moved to the United States 10 years ago. Last year, I decided to move back because after all Hong Kong is a fabulous city where I can return to my culture as a Chinese, but still enjoy all the international diversities. However, I was quite shocked to see how much more polluted Hong Kong has become over the past 10 years. I am very concerned about the levels of air pollution here. I am very glad to see that the government is at least doing something to minimize the environmental impact caused in the production and use of electricity.

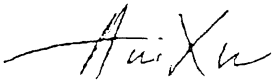
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Thank you very much for all your effort.

Sincerely,



Hui Xu



12/03/2006 13:34

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Comments on the electricity market consultative paper
 Urgent Return Receipt

To: EDLB

My comments on the consultative paper are:

(1) It is not desirable to use different rates of permitted return for different types of assets, in particular the suggested rate of permitted return for emission control is too low. Discrimination in rate of permitted return for different types of assets will discourage investment on environmental friendly equipment.

(2) If Government wants to introduce competition into the electricity supply market, Government should first set up rules and regulations to ensure fairness to all the market players and the customers. If there are inadequate rules, the new and existing electricity suppliers will offer very favourable prices to the contestable customers (usually they are big customers) and increase the prices for the general customers who cannot switch suppliers. This way, the general customers will suffer. It is undesirable to bring in competitors when the environment is not ready.

(3) I think the period of 10 years for the new agreement is short. It imposes uncertainty on investment. In the long run, it will affect supply reliability.

Hui Yau Fong



"Hui Yuen Kwong"

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 13:47

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勾，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。

Hui Yuen Kwong (署名) 啟



"Huihui Wang"

27/03/2006 09:44

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: Huihui Wang_____

28 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

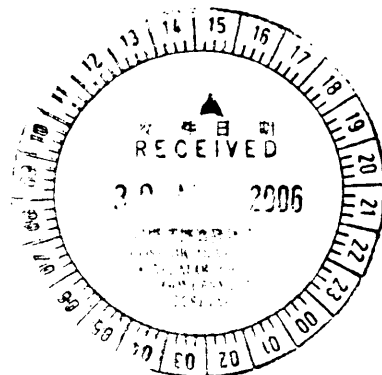
After reading the Stage II Consultation Paper, we have some comments as listed below.

As a commercial entity, we understand that a highly reliable power supply is the most essential element to sustain business development. In this connection, it is not appropriate that the Government will take any drastic steps in changing the current regulatory framework, which may pose significant risk to power supply reliability in Hong Kong.

Besides, the high importance of supply reliability especially for Hong Kong, setting a lower-than-fair rate of return for the power companies will certainly disincentivize the power companies to continue their investment in power infrastructure. The supply reliability in the long run will decrease and hence jeopardize our quality of life and business sustainability.

Yours faithfully,

CO. Hung
Hung Chi On





鴻興屋宇設備工程有限公司

Hung Hing Building Services Engineering Company Limited

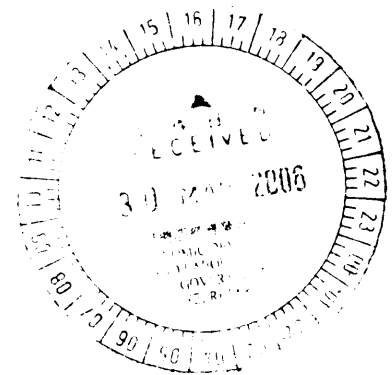
Licensed & Authorized Contractor

Ref. No.: LET/53-48/06

Date : 28-3-2006

TO : 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**

I, as one of the building service engineering companies in Hong Kong, would like to express our views on the Stage II Consultation Paper regarding Future Development of the Electricity Market in Hong Kong.

Like most of the developing countries, Hong Kong already has a very good control on the electricity company. Under the existing Scheme of Control (SOC), the two power companies, HEC and CLP Power, are doing their very best to maintain the highest standard on the electricity supply. Their commitment on such could be easily seen by looking at their almost zero unplanned electricity interruption, sustaining efforts on reducing the pollutants emission and continuous development on the use of nature energy, such as wind and solar energy in the past decade.

By taking it as granted, we enjoy a reliable electricity supply for number of years. It allows us to easily plan our project and/ or arrange our manpower to meet with the deadlines of our work as we know the electricity is always there.

With an objective of ensuring the tariff rate is a market price, it is advocated in the consultation paper that the existing Electricity Supply Industry should be open for competition and the duration of regime as well as the return of investment should be cut. Apparently, such arrangement may have the effect of lowering the tariff rate in short time, but would that be a benefit on Electricity Supply Industry in a long run?

Electricity Supply Industry is a long term and capital-intensive investment. Without an acceptable duration of regime and a fair investment return, I believe no company will be willing or interested to continuously invest in the power infrastructure. Such proposal is definitely a discouragement to the Electricity Company for upkeep and improving their network, which, in fact, would jeopardize the stability and reliability of the electricity supply.

In light of the above, I would opt for maintaining the existing SOC unchanged.

Yours truly,

C. W. Cheung

To: Economic Development and Labour Bureau

It is not good to lower the return rate to between 7% to 8% and shorten the duration of the regime to 10 years because no power company will like to have a long term investment for the power system to improve the system reliability and upgrade environmental condition.

In my opinion, open market will only have a short term benefit to the public and for electricity usage, but for the long term it will downgrade the environmental condition and reduce the system reliability because no one will like to invest more money for maintenance and security.

Everyone has a responsibility to improve the environmental condition in H.K. and also CIP Power is not the main contributor to make the environmental condition worse but the China mainland is the main contributor to downgrade the environmental condition in H.K. It is responsibility for government to improve the better communication with China mainland for environmental improvement and provide more gas generation over the next decade and have a clear direction on H.K.'s long term fuel mix.

Yuen Man Chee
21/3/2006



"Huen Fay"

28/03/2006 11:21

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, 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: Hung Huen Fay



Hung Sze Ngar

30/03/2006 08:42

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.

Hung Sze Ngar



"Hunter Wright"

25/03/2006 11:26

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: _____



"huong"

27/03/2006 14:20

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:

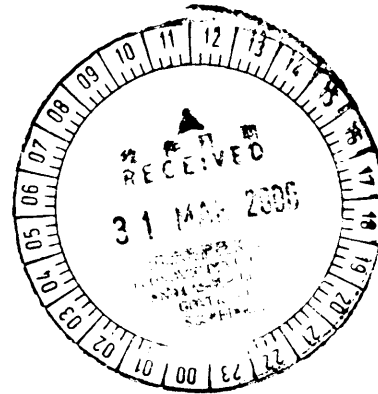
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2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
3. We support RE, but not incineration which generates green house gas;
4. Energy saving is fundamental in reducing pollution, as it saves money and 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: _____

30 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 are one of the largest companies engaged in the toy manufacturing business with corporate and marketing offices located in Hong Kong and a few large production facilities located in different areas of the Pearl River Delta. Upon reading the Stage II Consultation Paper, we would like to express our views.

As a manufacturing-focused entity, we experience the difference in the service levels of electricity supply between Hong Kong and the Pearl River Delta region more than other companies. We have received, and expect to continue to receive, exemplary service in Hong Kong whereas our production plants in China suffer from planned and unplanned interruptions of electricity service from time to time.

Our experience based on our production facilities in the Pearl River Delta region shows that in the Guangdong Province periodic planned power outages of one-day duration is very common. Though such outages are planned with advance notice, they could happen as frequently as once a week causing adverse impact to our production schedule in spite of our internal capability to generate sufficient level of electricity supply to maintain the operation of the most crucial production processes.

We understand that the provision of reliable electricity supply necessitates a high level of long term capital investment to build and maintain the infrastructures. We have been very satisfied with the service received and its associated tariffs in Hong Kong. When the existing system has demonstrated itself to have worked well, it is questionable for the Government to take any potential missteps to modify the current environment in regard to the rate of return, which may be reckoned as disincentives to the investors of the power companies. Ultimately we are the ones who may suffer if such changes would induce the power companies to reduce their investment thereby augmenting the vulnerability level of the customers.




和記港陸有限公司
香港中環皇后大道中
渣打大廈20字樓
電話：(852) 2128 1188
傳真：(852) 2128 1778
www.hutchisonharbourring.com

Hutchison Harbour Ring Limited
22/F. Hutchison House
10 Harcourt Road, Central
Hong Kong
Tel: (852) 2128 1188
Fax: (852) 2128 1778
www.hutchisonharbourring.com

Given the reliable supply of electricity is of paramount importance to our company and to the population of Hong Kong, we are extremely concerned if any change might cause degradation of electricity supply in the future. We would prefer to maintain the status quo of providing a fair rate of return for the power companies to maintain the continued provision of highly stable electricity service which is one of the major contributing elements to Hong Kong's prosperity.

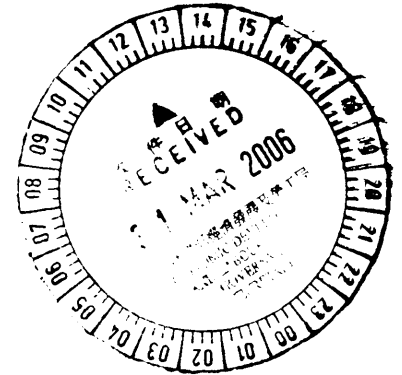
Yours faithfully,

For and on behalf of
Hutchison Harbour Ring Limited


.....
Authorized Signature(s)

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

As one of the major online travel services providers in Asia, we would like to express our views on the Stage II Consultation.

A reliable electricity supply is pivotal to our business operation. We have offices in a few major Asian cities including Hong Kong, Taipei and Singapore. We have set up data centres and headquarter in Hong Kong to leverage on the stable electricity supply here. Through our Internet network infrastructure, we are connected to travel services providers around the world to look for available air tickets and hotel rooms for our customers. We are also connected to financial institutions for online payment of travel services. In the meantime, we rely on the Internet to communicate and confirm the travel services provided to customers. In case of power and service outage, certain customer data may be lost, causing confusion to customers as well as our global service partners. We do not wish to receive an influx of customer complaints, such as confusion about whether an online reservation is completed, because of an unreliable electricity supply.

It is, therefore, of our core concern that our company will enjoy a reliable electricity supply just as what we have now to ensure the smooth operation of our company. If there is a change of the current situation, which leads to an unstable supply of electricity, we may consider relocating our business establishment from Hong Kong to our other regional offices.

Furthermore, we do have reservation on some of your proposals raised in the Stage II Consultation Paper.

Being a business aiming at profit, we understand that it is fundamental to enable the power companies to have a fair rate of return for their investment. The power supply industry is capital-intensive and the investment risk is much higher than average business undertakings as their infrastructure is very long-lived and redeployment of equipment is inflexible. We, therefore, believe that the reduced rate of return and the shortened regulatory period for the power companies as proposed in the Consultation Paper is not fair for their investment and the risk they are facing, and are not conducive to long-term investment in power supply infrastructure.

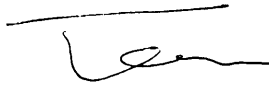
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Page 2/...

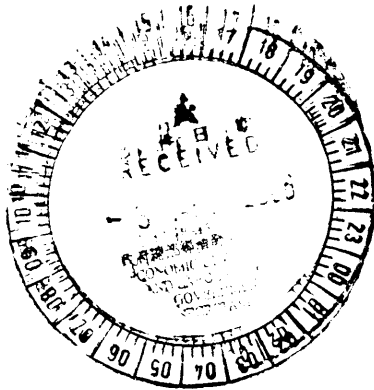
A reliable supply of electricity relies on the continuous investment by power companies. We urge the government not to lower the permitted rate of return and not to shorten the 15-year regulatory period. After all, our company as well as the entire business community can hardly afford our power supply reliability to degrade in the future.

Thank you for your attention.

Yours truly,



Tony Ma
Chief Executive Officer
Hutchison-Priceline (Travel) Limited





Hutchison Telecom
Hong Kong

Hutchison Telecommunications (Hong Kong) Limited
和記電訊(香港)有限公司
Hutchison Telecom Tower, 99 Cheung Fai Road, Tsing Yi, Hong Kong
www.three.com.hk

By Fax : 2868 4679 & By Post

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

30 March 2006

Dear Sirs,

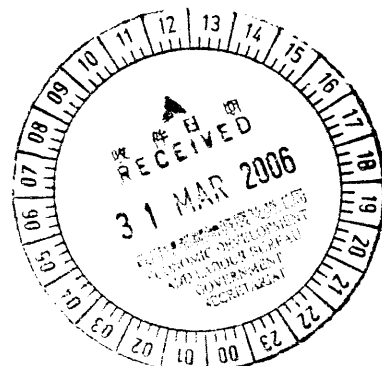
**Consultation Paper on Future Development of the Electricity Market in Hong Kong –
Stage II Consultation**

We refer to the captioned consultation paper and are pleased to provide herewith our views and comments.

Yours faithfully
For and on behalf of
Hutchison Global Communications Limited and
Hutchison Telephone Company Limited

Oswald Kwok
Senior Counsel –
Legal & Regulatory

Encl.





JOINT SUBMISSION

TO

ECONOMIC DEVELOPMENT AND LABOUR BUREAU

**CONSULTATION PAPER ON FUTURE DEVELOPMENT OF THE
ELECTRICITY MARKET IN HONG KONG – STAGE II CONSULTATION**

30 March 2006

Introduction

Hutchison Global Communications Limited and Hutchison Telephone Company Limited are pleased to have the opportunity to comment on the consultation paper on future development of the electricity market in Hong Kong (the "Consultation Paper").

Electricity is an important element in our daily life. A reliable, safe and efficient supply of electricity is crucial to the community. As a responsible government, it has the duty to implement the right policy to achieve the objectives which it has correctly identified in its consultation paper - safe and reliable power supply at reasonable tariffs with minimum impact on the environment. The Government should also foster an environment conducive to continued investment in electricity infrastructure. Otherwise, the community stands to lose if the current reliable supply of electricity is compromised.

We are in the business of providing telecommunications services. Like the power companies, our business requires heavy long term investments in a regulated environment. We share the same concerns of the power companies - a stable regulatory environment and reasonable rate or return. These are the essentials for promoting continued investment in infrastructure.

The current scheme of control arrangement provides a right mix of ingredients of regulatory certainty, reasonable return on investment and administrative simplicity. Any deviation from the current regulatory framework may inevitably defeat the objective of promoting stable and reliable electricity supply and jeopardize the interest of the public. We urge the government to take a cautious approach in the reform of the current regulatory framework.

Our further comments on the Consultation Paper are set out as follow:

Importance of reliable supply of electricity to the telecommunications industry

As telecommunications operators providing both fixed line and mobile services, a reliable supply of electricity is critical to our daily operations. Most telecommunications systems we operate including switching equipment in central offices, access equipment in customer premises and radio-communications equipment installed all over the territory, are powered by electricity and

would be affected by power outage. For systems with backup power supply maintained, the backup battery can only last for a few hours after which they are unable to operate once the battery is exhausted. Likewise, customer premises equipment relying on AC power like PBXs, cordless phones and personal computers are inoperable under power outage condition.

Owing to the highly efficient operations of the power companies, we have been able to enjoy a reliable supply of electricity so far but we should never underestimate the risk of having power outage should the power companies be unable to maintain the same quality of service upon adverse changes in the current regulatory regime. This is in particular when the public is relying heavily upon non-interrupted power supply and telecommunications services to support their daily activities.

Term of Agreement

Like most other capital-intensive industries, the electricity business is characterized by heavy investment in infrastructure having long payback. Given most assets deployed in the electricity business have typical useful lives of more than 20 years, a stable investment climate is a prerequisite for making sensible investment decision. The government proposal to shorten the terms of agreement to 10 years puts power companies in an uncertain situation of not able to recover the full investment in infrastructure upon termination of the current term. Given the uncertainty in payback, power companies will have no choice but to curtail their investment to avoid unnecessary risk. This under-investment in infrastructure, coupled with the aging of existing infrastructure, could devastate the current reliable electricity supply.

Our view is that the current term of 15 years should be retained for the new arrangement.

Permitted Rate of Return

A policy aiming at encouraging infrastructure investment ought to allow a reasonable rate of return compared to the other uses of fund.

The Government has provided very little explanation to justify its proposal to reduce the permitted rate of return. We also have no background information on how the current rate was determined in the first place. But it has certainly demonstrated itself to have worked well to provide Hong Kong with highly reliable power supply and reasonable tariffs. Costs of power supply is only a very small fraction of our costs of doing business in Hong Kong.

Permitted return set too low to provide adequate return to commensurate with the risk involved, in particular when there might be a possible transition to an open market, would raise the risk profile of the existing power companies. This would adversely affect the incentive to invest on new infrastructure and jeopardize future investment in the electricity sector, thereby risking the reliability of the current electricity supply system.

The reduction of permitted return from its current level also means assets acquired prior to the expiry of the current scheme will be subject to a lower rate of return. This deprives the power companies the opportunity to recover investment previously made as they have the legitimate expectation to earn the rate of return on its investment based on the rate permitted under the existing scheme of control structure.

The proposal to subject different categories of assets to different permitted return also lacks economic justification and creates unnecessarily administrative burden. As the government has rightly said in the Consultation Paper that they might have difficulty in classifying the asset and there might be potential increase in administrative cost, we opine that a simple regulatory structure of a single rate of return should be used.

Tariff Approval Mechanism

The existing scheme of control already have a clear mechanism for tariff setting based on permitted return, yet, the government is proposing to require power companies to submit for prior approval by the government all tariff increase. We find this proposal very strange , as it not only creates additional uncertainty to the power companies, the mechanism is also prone to political pressure and is costly to maintain.

A sensible regulatory framework should be transparent and easy to administer. The imposition of additional tariff approval requirement works against the generally accepted principle of minimum government intervention, particularly when there is already a cap on the permitted rate of return. Worse still, the proposed tariff approval mechanism would have the same chilling effect on investment as the proposed reduction in the permitted return as the power companies face great uncertainty in realizing the permitted return under the scheme of control arrangement.

The current investment plan approval mechanism already has the merit of balancing public interest by requiring power companies to submit for government approval investments in fixed assets which go into the calculation of the permitted rate of return. We are of the view that no separate tariff approval mechanism is required.

Conclusion

We fully support the government's objective to ensure the public reliable, safe and efficient electricity supply at reasonable price. The current scheme of control arrangement is serving the government's objectives well and we see no reason to introduce modifications to the current scheme which may have the adverse effect of damaging investment incentive of the existing power companies and hurt the interest of the general public.

-END-



"Hutton & Co"

24/03/2006 12:39

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 business, we are very much concerned about the air pollution caused by power stations. We believe the government must take action to enhance control over the electricity market, so as to restrict pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext to escape from their social and environmental responsibilities. We 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.

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

Sign: Hutton & Co.



"HW Chan"

18/03/2006 07:42

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

HW Chan



"HW Chan"

27/03/2006 21:47

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 person born and grow up in Hong Kong, 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. The following are my recommendations:

1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. The rate of return should be reduced if a company cannot achieve the caps.
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 Hong Kong SAR Government (HKSARG) 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 (including the regional blueprint of wind energy development) between Guangdong and Hong Kong should be speeded up

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

Sign: HW Chan

28 March 2006

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

Dear Sir,

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

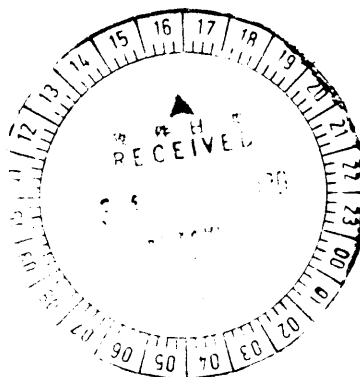
I refer to your letter dated 6 January 2006 attached with a copy of the above-mentioned paper. I have read the Consultation Paper and my comments are listed below:

1. I don't think it is the right time to open the electricity market as I cannot believe the electricity supplier(s) from China can provide Hong Kong a very reliable supply within the next 10 years in view of the shortage of electricity in China. People in Hong Kong may need to pay for the consequence if the electricity market is opened to let them in.
2. The short regulatory period of 10 years (when compared with the asset life of power generation/transmission/distribution equipment of 10-30 years) and the low 7-11% return rates (when compared with current interest rate of 7-8%) will discourage investment to the electricity market and hence downgrade the quality of electricity supply. I personally wish to continue to enjoy the present reliable electricity supply and do not wish to see any blackout in Hong Kong in future.
3. The future SCA should be established on a fair basis. The proposal to co-relate the permissible return with the environmental performance of the power companies seems not fair as "users to pay" principle is a policy of the Government of HKSAR (e.g. for water supply, users need to pay the discharge fee on the top of the water fee). Furthermore, power companies will be double charged as they will also be punished by other legislations (such as Air Pollution Control Ordinance etc.) if the required emission standards cannot be achieved.

Yours faithfully,



HW Li





"Hwang Concepts"

27/03/2006 16:44

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:

Evelyn Hwang,
On behalf of
Hwang Concepts



"鄭可忻"

17/03/2006 12:24

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，

I am very concern about the future developments of these 2 electric companies. I sincerely hope that in the new contract, the government would implement more requirements like about ~20% of the company's revenue should go for investments in some developments on "green production" of renewable energy. The use of renewable energy not only saves huge amount of money in the long run, it also provides sustainable energy source for future use. We absolutely shouldn't allow these 2 companies to extract resources on earth, gaining huge sum of money from it, without paying their responsibility to the others, who all have the rights to share the common resources on earth. All we want, is that they would pay their own responsibility, and be sympathetic to all those who could not afford paying more for the scarce resources.

Yours faithfully,
HY Kwong



30/03/2006 21:02

To: edb@edlb.gov.hk
cc:
Subject: Web Enquiry
 Urgent

realname: H.Y. MoYung

subject: 香港電力市場的未來發展第二階段諮詢

Enquiry: 兩電力公司年年牟取暴利！

電費應該減10% 至15%。

電力公司增加電費應該先經立法會批准。



"Hymn Tse"

17/03/2006 12:14

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

Hymn Tse



"HyperNet"

29/03/2006 11:45

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: _____