

## **Annual Work Report of the Energy Advisory Committee for the period from 1 January to 31 December 2012**

### **I. Terms of Reference of Energy Advisory Committee**

The Energy Advisory Committee (EnAC) is a non-statutory committee set up in July 1996 to advise the Government on energy policy, including policy matters concerning energy supply and demand, energy conservation and efficiency, and other related matters referred to it by the Government.

### **II. Membership of EnAC**

EnAC is chaired by a non-official and comprises non-official members representing different sectors of the community and official members from relevant policy bureau and department. The Chairman and members are appointed by the Secretary for the Environment. The membership of EnAC in 2012 was as follows –

#### **Chairman**

Mr Edmund LEUNG Kwong-ho, SBS, JP <sup>#</sup>  
Prof Raymond SO Wai-man (with effect from 15 July 2012)

#### **Members** (*in alphabetical order*)

Mr Cary CHAN  
Ms Vivien CHAN, B.B.S., J.P.  
Ms Cecilia Daisy CHEN Sheau-ling, B.B.S., M.H., J.P.  
Mr Thomas CHENG Kin-hon  
Mr Daniel CHENG Man-chung, M.H., J.P.  
Mrs Lina CHENG TANG Ho-kuen  
Mr Victor CHEUNG Chi-kong \*  
Mr Paul CHONG Kin-lit, M.H.  
Mr Raymond CHOY Wai-shek, M.H., J.P. <sup>#</sup>  
Mr Andrew FUNG Hau-chung, J.P. \*  
Prof Richard HO Yan-ki <sup>#</sup>  
Dr Ronnie HUI Ka-wah, J.P. <sup>#</sup>  
Mr Jimmy KWOK Chun-wah, M.H., J.P. \*  
Ms Janice LAI Wai-man  
Mr Christopher LAW Kin-chung, J.P. \*  
Mr Alfred LEE Tak-kong, M.H. \*

Hon Starry LEE Wai-king, J.P. #  
Mr Alvin LEUNG Heung-ying #  
Dr Michael LEUNG Kwok-hi  
Mr Brian David LI Man-bun, J.P. #  
Mr Guy LOOK \*  
Dr LUK Bing-lam \*  
Mr Kenneth LUN Chi-leung #  
Miss Anita MA Wing-tseung #  
Dr Billy MAK Sui-choi \*  
Dr MAN Chi-sum, J.P. #  
Mr NG King-wah #  
Ms Yvonne SHING Mo-han \*  
Prof Raymond SO Wai-man (till 14 July 2012)  
Mr WONG Wai-ho #  
Mr Stanley WONG Yuen-fai, J.P. \*  
Mr Donald YIP Moon-tong #  
Mr YU Hon-kwan, J.P.  
Dr William YU Yuen-ping \*

\* appointed since 15 July 2012

# retired after 14 July 2012

Permanent Secretary for the Environment / Director of  
Environmental Protection *or representative*  
Director of Electrical and Mechanical Services *or representative*

**Secretary**

Principal Assistant Secretary for the Environment (Energy)

As noted above, a total of 13 members, including Mr Edmund Leung who served on EnAC for six years as the Chairman, retired from EnAC on 14 July 2012, and 11 new members were appointed to serve on the Committee on 15 July 2012.

III. Major Activities of the EnAC during the period from 1 January to 31 December 2012

(1) Meeting on 14 February 2012

(a) Information and Consultation Agreement with the Hong Kong and China Gas Company Limited

The Hong Kong and China Gas Company Limited (Towngas) briefed the Committee on the extension of the Information and Consultation Agreement signed between the Government and Towngas for a period of three years with effect from 3 April 2012. Members were briefed on the various aspects of operation and performance of Towngas.

(b) Electricity Tariff for 2012

Further to the meeting on 13 December 2011 (as mentioned in the annual report for 2011), Members discussed and examined the two power companies' proposed tariff adjustments for 2012.

(2) Meeting on 25 October 2012

(a) Background briefings by the two power companies

(b) Background briefing by Towngas

Following the appointments of Members to the EnAC on 15 July 2012, the two power companies, viz. CLP Power Hong Kong Limited and Castle Peak Power Company Limited (collectively, CLP) and The Hongkong Electric Company Limited (HK Electric), and the Towngas provided Members with background briefings on their business activities.

(c) Membership of the Energy Efficiency and Conservation Sub-committee

The Committee endorsed the proposed membership of the Energy Efficiency and Conservation Subcommittee and the nomination for Mr Stanley WONG Yuen-fai to serve as the Chairman of the Subcommittee.

(d) Work plan for EnAC

Members also discussed the upcoming work of the EnAC. A number of issues would be brought to Members for advice, including the 2013 electricity tariff review, agreement for gas supply from China's Second West-East Natural Gas Pipeline, mid-term review of the Scheme of Control Agreements (SCAs), initiatives to enhance energy efficiency, review of fuel mix policy, the 2014-18 Development Plans for power companies, and post-2018 local electricity market structure review.

(3) Meeting on 20 November 2012

The Scheme of Control Agreements with the Two Power Companies - Interim Review in 2013

Members were briefed on the background of the SCAs and the mid-term review in 2013. Members noted that under the SCAs, the power companies and the Government should have the right, during the year ending 31 December 2013, to request modification of any part of the SCAs. However, mutual agreement between the Government and the respective power companies would be needed before any proposed modification to the SCAs might be implemented. Members discussed and advised on the areas where modifications to the SCAs should be considered.

(4) Meeting on 11 December 2012

Electricity Tariff for 2013

(a) [Presentation by HK Electric](#)

(b) [Presentation by CLP](#)

Members discussed the two power companies' tariff proposals for 2013, which would be presented to the LegCo Panel on Economic Development on the same day. CLP proposed a 5.9% increase on its average net tariff for 2013, and HK Electric 2.9%.

(5) Meeting on 21 December 2012

Second West-East Natural Gas Pipeline – Gas Supply Agreement and necessary infrastructural facilities in Hong Kong

Members discussed the gas supply infrastructure and gas supply agreement required for CLP to offtake natural gas from China's Second West-East Natural Gas Pipeline to Hong Kong for electricity generation.

IV. Major Activities of the Energy Efficiency and Conservation Sub-committee during the period from 1 January to 31 December 2012

The Energy Efficiency and Conservation Sub-committee (EE&C) was set up under EnAC to consider proposals to promote energy efficiency and conservation in Hong Kong, having regard to their technical merits, potential effectiveness and environmental, economic and social implications. One EE&C meeting was held in 2012 as follows:-

Meeting on 12 June 2012

(a) District Cooling System at Kai Tak Development – updates and charging principles

Members were briefed on the District Cooling System at the Kai Tak Development and the proposed charging regime and considerations behind the proposal.

(b) Government's Response to the Council for Sustainable Development's Report on "Combating Climate Change: Energy Saving and Carbon Emission Reduction in Buildings"

Members were briefed on the Government's response to the Council for Sustainable Development's Report on "Combating Climate Change: Energy Saving and Carbon Emission Reduction in Buildings". The Sub-committee

generally welcomed the Government's response to the Council for Sustainable Development's Report.

**Secretariat, Energy Advisory Committee  
June 2013**