

Chairman of Panel on Environmental Affairs, Legislative Council  
(c/o Clerk to Panel on Environmental Affairs)  
Legislative Council Complex,  
1 Legislative Council Road, Central, Hong Kong

17 May 2023  
(by e-mail)

Dear Hon Elizabeth Quat, BBS, JP,

**Re: Panel on Environmental Affairs Meeting on 22 May 2023, agenda item  
#III “2023 Interim review of the Scheme of Control Agreements with the two power  
companies”**

The IPCC's recent report<sup>1</sup> stresses that the urgent need for significant and immediate reduction of carbon emissions would reduce projected losses and damages to the natural environment and humanity, whilst delivering many co-benefits, especially improved air quality and health. The Scheme of Control Agreements (SCA) has been instrumental in Hong Kong's efforts to stabilize energy prices and improve air quality, and could prove to be a crucial tool in achieving rapid, sustained, and deep reduction in carbon emissions. In light of this, the Civic Exchange suggests the following recommendations to facilitate such reduction:

**1. Set a detail sectorial carbon emission pathway from now to 2050**

As the Hong Kong government has committed to carbon neutrality by 2050, and to halve carbon emissions by 2035, the SCA and more specifically, their primary text, should reflect this crucial commitment. In addition, working with the power sector to set up a 5-year interval carbon emission target would be beneficial for near-term carbon reduction. The setting of carbon emission target can refer to the annual emission limits for sulphur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), and respirable suspended particulates (RSPs) in the power generation industry, which has been approved by the Legislative Council in 2021<sup>2</sup>.

**2. Establish collaboration to realise a coal free Greater Bay Area vision**

Coal-fired plants are a significant source of greenhouse gas emissions, thus their continued operation is incompatible with Hong Kong's carbon reduction goals. According to Energy Foundation China<sup>3</sup>, the Greater Bay Area (GBA) has a high energy demand and is still in the process of building up its capacity for low carbon resources.

---

<sup>1</sup> IPCC (2023). Synthesis Report of the IPCC Sixth Assessment Report – Summary for Policymakers (2023). Retrieved from: <https://www.ipcc.ch/report/ar6/syr/>

<sup>2</sup> <https://www.info.gov.hk/gia/general/202106/10/P2021061000293.htm>

<sup>3</sup> See Annex 1, p.34

In fact, an additional 10GW of coal-fired facilities are scheduled to be constructed in the area by 2025 in order to meet the increased power demand during winter and summer. Therefore, directly introducing clean technology from GBA's grid may not be a feasible approach for Hong Kong due to the insufficient surplus of renewable energy available for export from the region. Therefore, we recommend the government to develop a collaboration framework with GBA with a clear negotiation timeline, such as incentivising power companies to invest zero carbon in the GBA.

### 3. Make the latest Hong Kong Energy-end Use Data publicly accessible

Transparent and accessible data is essential for establishing a foundation for Green Finance capacity building and facilitating energy efficiency improvements for homeowners. However, the current energy end-use data in Hong Kong is outdated by two years. We recommend that this data, as well as the sector's average and standard deviation, be made publicly available to enable informed decision-making regarding energy policy and efficiency measures. A public consultation can be launched regarding data structure.

### 4. Transform grid infrastructure to promote the development of EV fast charging

As electric vehicles become increasingly prevalent, a well-developed charging infrastructure is crucial. Currently, the number of fast charging stations (above 100kW) available in Hong Kong is limited. The SCA can play a role to incentivise the development of fast charging infrastructure such as transforming the power grid infrastructure to support the widespread adoption of EVs. Furthermore, it is imperative to carry out a strategic research aimed at identifying the potential fast charging locations.

The SCA plays a crucial role in fostering a liveable and sustainable GBA. We are looking forward to collaborating with the government and the Legislative Council to enhance the SCA for a net zero future.

Yours sincerely,



Lawrence Lu

Executive Director, Civic Exchange

Cc: Mr TSE Chin-wan, BBS, JP, Secretary for Environment and Ecology  
Mrs Millie NG, JP, Deputy Secretary for Environment and Ecology, (Environment)  
Mr José Y AM, Principal Assistant Secretary for Environment and Ecology (Energy)  
Ms Lisa CHAN, Principal Assistant Secretary for Environment and Ecology (Financial Monitoring)