

Annual Work Report of the Energy Advisory Committee for the period from 1 January to 31 December 2017

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 2017 was as follows –

Chairman

Prof Raymond SO Wai-man, B.B.S., J.P. (up to 21 September 2017)

Mr Jimmy KWOK Chun-wah, B.B.S., M.H., J.P. (with effect from 13 October 2017)

Members (*in alphabetical order*)

Ms Clara CHAN Yuen-shan

Ms Vena CHENG Wai-yan

Mr Victor CHEUNG Chi-kong

Ms Susanna CHIU Lai-kuen, M.H.

Mr Andrew FUNG Hau-chung, J.P.

Prof FUNG Tung*

Mr Jimmy KWOK Chun-wah, B.B.S., M.H., J.P. (up to 12 October 2017)

Mr Wilson KWONG Wing-tsuen

Mr James LAM Yat-fung

Mr Christopher LAW Kin-chung, J.P.

Mr Alfred LEE Tak-kong, M.H.

Dr Guy LOOK

Dr LUK Bing-lam

Dr Billy MAK Sui-choi

Ms Rerina OR Siu-ching
Mr Cliff TANG Wing-chun
Mr Luther WONG Lok-tak, J.P.
Mr Stanley WONG Yuen-fai, S.B.S., J.P.
Mr Thomas Jefferson WU, J.P.
Dr William YU Yuen-ping

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 (Electricity
Reviews)

* appointed since 13 October 2017

III. Major Activities of the EnAC during the period from 1 January to
31 December 2017

(1) Meeting on 2 March 2017

Hong Kong's Climate Action Plan 2030+

Members were briefed on Hong Kong's Climate Action Plan 2030+, which outlined the Government's longer-term action in combating climate change and setting out the carbon emissions target for 2030. Members noted that the Government's target was to reduce Hong Kong's carbon intensity by 65% to 70% by 2030 compared with the 2005 level and this would be achieved through, inter alia, reducing coal-fired electricity generation, applying renewable energy on a wider and larger scale and making local infrastructure and buildings more energy efficient.

(2) Meeting on 25 April 2017

New Scheme of Control Agreements (SCAs) with the Two
Power Companies

Members were briefed on the new SCAs signed between the Government and the two power companies on the same day. Members noted the key terms of the new SCAs, including

the duration and the reduced Permitted Rate of Return; measures to further promote energy efficiency and conservation as well as the development of renewable energy; a more frequent Fuel Clause Charge adjustment; improvements to the incentive/penalty schemes in relation to operational performance; and work to be undertaken in the coming regulatory period in relation to market development.

(3) Visit to The Hongkong Electric Company, Limited (HKE) on 4 July 2017

Members visited the Lamma Power Station to better understand its operation.

(4) Meeting on 11 September 2017

Pre-2018 Tariff Review Presentation

The two power companies gave a presentation on their operation respectively and listened to Members' views on matters relating to the 2018 Tariff Review.

(5) Visit to Towngas on 3 November 2017

Members visited Towngas's production plant in Tai Po, landfill gas treatment facility at the South East New Territories Landfill and Headquarters to better understand its operation.

(6) Meeting on 12 December 2017

(a) Membership of Energy Efficiency and Conservation Sub-committee (EE&C Sub-committee)

Members considered and endorsed the revised membership of the EE&C Sub-committee.

(b) Electricity Tariff for 2018

(i) [Presentation by HKE](#)

(ii) [Presentation by CLP Power Hong Kong Limited](#)

Members discussed the two power companies' tariff proposals for 2018, which would be presented to the Legislative Council Panel on Economic Development on the same day. CLP and HKE both proposed raising the average net tariff by 1.9%. The adjustment had taken into account CLP's Rent and Rates Special Rebate and HKE's Special Fuel Rebate.

Secretariat, Energy Advisory Committee