

## **Annual Work Report of the Energy Advisory Committee for the period from 1 January 2008 to 31 December 2008**

### **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 bureaux and department. The Chairman and members are appointed by the Secretary for the Environment. The membership of EnAC in 2008 is as follows –

#### **Chairman**

Mr Edmund LEUNG Kwong-ho, JP

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

Ms Vivien CHAN, BBS, JP (from 15 July 2008)

Ms Cecilia Daisy CHEN Sheau-ling, BBS, MH, JP (from 15 July 2008)

Mrs Lina CHENG TANG Ho-kuen (from 15 July 2008)

Prof Larry CHOW Chuen-ho

Mr Raymond CHOY Wai-shek, MH, JP

Prof Richard HO Yan-ki

Dr Ronnie HUI Ka-wah, JP

Hon Starry LEE Wai-king

Mr Alvin LEUNG Heung-ying

Mr Brian David LI Man-bun

Prof Bernard Vincent LIM Wan-fung, JP

Mr Kenneth LUN Chi-leung

Dr MAN Chi-sum, JP

Mr NG King-wah  
Mr WONG Wai-ho  
Mr Stephen YAU How-boa, BBS, MH, JP  
Ms Sylvia YAU Siu-fee, JP  
Mr Donald YIP Moon-tong

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) 1

III. Major Items for Discussion / Information at EnAC Meetings held during the period from 1 January to 31 December 2008

(1) Meeting on 7 January 2008

Major Item for Discussion / Information –

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

The Administration briefed the Committee on the major terms of the new SCAs signed with the two power companies, including shortening the duration of the SCAs, lowering the permitted rate of return and linking the permitted rate of return of the power companies to their environmental performance.

(2) Meeting on 18 July 2008

Major Items for Discussion / Information –

(a) Tariff Adjustment of the Hong Kong and China Gas Company Ltd

The Hong Kong and China Gas Company Limited briefed the Committee on Towngas' 2008 tariff adjustment proposal. The discussion touched on topics including adjustments to the Basic Tariff, mechanism of the Fuel Clause Variation Charge and concession schemes offered by Towngas.

(b) Liquefied Natural Gas (LNG) Receiving Terminal at South Soko Island

The Administration briefed the Committee on the development of the proposed LNG terminal at South Soko Island. The discussion touched on topics including the use of LNG for power generation, the need for a local LNG terminal, and the operation arrangement of the LNG terminal.

(c) Membership of the Energy Efficiency and Conservation Subcommittee

The Committee endorsed the proposed membership of the Energy Efficiency and Conservation Subcommittee and the nomination for Dr. Man Chi-sum to serve as the Chairman of the Subcommittee.

(3) Meeting on 23 September 2008

Major Items for Discussion / Information –

(a) 2008 Development Plan of the CLP Power Hong Kong Limited and Castle Peak Power Company Limited (referred collectively as “CLP”)

The CLP briefed the Committee on its 2008 Development Plan, which covered CLP's electricity demand forecasts, proposed capital projects and projected Basic Tariff for each year up to 31 December 2013. The Legislative Council Panel on Economic Development discussed the Development Plan at its meeting on 24 November 2008.

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

(b) Memorandum of Understanding (MoU) on Energy Co-operation

The Administration briefed the Committee on the MoU on energy co-operation signed by the National Energy Administration and the HKSAR Government in August 2008. The discussion touched on the impact of the MoU on the future supply of nuclear electricity and natural gas from the Mainland, as well as on the earlier proposal of developing an LNG terminal in Hong Kong.

(4) Meeting on 16 December 2008

Major Items for Discussion / Information –

(a) Hong Kong Electric Company Limited (HEC) 2009-2013 Development Plan

The HEC briefed the Committee on its 2009-2013 Development Plan, which covered HEC's electricity demand forecasts, proposed capital projects and projected Basic Tariff for each year up to 31 December 2013. The Legislative Council Panel on Economic Development discussed the Development Plan on the same day.

### [Presentation by The Hongkong Electric Company Limited](#)

(b) Measures to enhance the transparency in auto-fuel prices

The Administration and the Consumer Council briefed the Committee on measures being introduced to enhance the transparency in auto-fuel prices. The discussion touched on topics including the auto-fuel price movements, as well as the regulatory mechanism on auto-fuel market and liquefied petroleum gas.

Secretariat, Energy Advisory Committee  
March 2009