

## **Annual Work Report of the Energy Advisory Committee for the period from 1 January to 31 December 2013**

### **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 2013 was as follows –

#### **Chairman**

Prof Raymond SO Wai-man

#### **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 Andrew FUNG Hau-chung, J.P.

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.

Dr Michael LEUNG Kwok-hi

Mr Guy LOOK

Dr LUK Bing-lam

Dr Billy MAK Sui-choi

Ms Yvonne SHING Mo-han

Mr Stanley WONG Yuen-fai, J.P.

Mr YU Hon-kwan, 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)

III. Major Activities of the EnAC during the period from 1 January to  
31 December 2013

(1) Meeting on 22 February 2013

Basic Tariff Adjustment of the Hong Kong and China Gas  
Company Ltd

The Hong Kong and China Gas Company Limited (Towngas) briefed the Committee on its plan to increase basic tariff by 1 cent to 22.85 cents per megajoule effective from 1 April 2013, with a commitment of no further increase in the coming two years. The discussion focused on several aspects, including the cost components and structure of Towngas' tariff, use of clean fuel, and performance and service of Towngas.

(2) Meeting on 21 November 2013

The Scheme of Control Agreements (SCAs) with the Two  
Power Companies – 2013 SCAs Mid-Term Review

Members were briefed on the outcome of the Mid-Term Review of the SCAs conducted jointly by the Government and the two power companies in 2013 pursuant to the SCAs. Members noted the modifications to be made to the SCAs as agreed by parties to the SCAs, including the setting up of an energy efficiency fund for enhancing building energy efficiency, raising the performance thresholds for the power companies to earn incentives, lowering the cap on the Tariff Stabilisation Fund balance, promoting the transparency of power companies' operations by requiring them to provide

more financial and operating data to the public, etc.. Members were also briefed on the other proposals put forward by the Government but not agreed by the power companies, e.g., reducing the permitted rate of return, tightening the mechanism for treating excess generating capacity, excluding power companies' investments in emission control facilities from earning Permitted Return, requiring power companies to seek prior approval from the Executive Council if tariff increase exceeds Composite Consumer Price Index, etc..

(3) Meeting on 10 December 2013

2014-18 Development Plan and 2014 Tariff Review

The two power companies briefed Members on their 2014-18 Development Plans, as well as the 2014 electricity tariff review as part of the Development Plans –

- (i) [Presentation by the Hongkong Electric Company Limited](#)
- (ii) [Presentation by CLP Power Hong Kong Limited and the Castle Peak Power Company Limited](#)

Members discussed the Development Plans of the power companies and their proposed tariff adjustments for 2014. .

(4) Meeting on 31 December 2013

Brainstorming Session of Energy Advisory Committee

Members exchanged views and comments on the future development of the electricity market in Hong Kong at the brainstorming session. The discussion focused mainly on the future fuel mix for electricity generation in Hong Kong and the regulatory framework for the electricity market after the current SCAs with the two power companies expire in end-2018.

**Secretariat, Energy Advisory Committee  
August 2014**