

**Confirmed Minutes of the 261st Meeting
of the Advisory Council on the Environment (ACE)
on 6 November 2023 at 2:30 p.m.**

Present:

Prof John CHAI, BBS, JP (Chairman)
Prof Kenneth LEUNG, JP (Deputy Chairman)
Dr Sylvia CHAN, MH
Ms Ada FUNG, BBS
Mr Eric HO
Ms Linda HO
Mr Alex KWAN
Dr Theresa KWONG
Prof Dennis LEUNG
Mr Simon NG
Ms Christina TANG
Prof Dan TSANG
Prof WONG Kam-bo
Dr WONG Kwok-yan, MH
Mr Alan LO, JP (Secretary)

Absent with Apologies:

Ms Carmen CHAN, BBS, JP
Prof Alexis LAU, JP
Mr Daryl NG, SBS, JP
Mr Albert SU, MH, JP
Dr Raymond YAU
Dr William YU

In Attendance:

Mr Simon CHAN	Assistant Director (Conservation), Agriculture, Fisheries and Conservation Department (AFCD)
Ms Maggie CHIN	Assistant Director of Planning / Technical Services, Planning Department (PlanD)
Miss Mavis HUI	Chief Information Officer, Environment and Ecology Bureau (EEB)
Ms Karen CHEK	Chief Executive Officer (CBD), EEB
Miss Sally SHEK	Executive Officer (CBD) 1, EEB
Miss Avynn WONG	Executive Officer (CBD) 2, EEB

In Attendance for Item 1:

Mr TSE Chin-wan, BBS, JP	Secretary for Environment and Ecology, EEB
Miss Janice TSE, JP	Permanent Secretary for Environment and Ecology (Environment), EEB
Miss Diane WONG, JP	Under Secretary for Environment and Ecology, EEB
Mr FONG Kin-wa, JP	Deputy Director of Environmental Protection (1), Environmental Protection Department (EPD)
Mr Bruno LUK, JP	Deputy Director of Environmental Protection (Waste Reduction), EPD
Ms Fanny HUI	Press Secretary to Secretary for Environment and Ecology, EEB

In Attendance for Item 4:

Dr Kenneth LEUNG	Principal Assistant Secretary for Environment and Ecology (Air Policy), EEB
Dr Sunny CHEUNG	Principal Environmental Protection Officer (Air Policy), EEB
Mr Nick TSANG	Senior Environmental Protection Officer (Air Policy) 2, EEB

Action

The Chairman welcomed all to the meeting and informed Members that apologies of absence had been received from Ms Carmen Chan, Prof Alexis Lau, Mr Daryl Ng, Mr Albert Su, Dr Raymond Yau and Dr William Yu.

Item 1: Briefing by the Secretary for Environment and Ecology on 2023 Policy Address (ACE Paper 20/2023)

Presentation cum Question-and-Answer Session (Open session)

2. The Chairman welcomed Mr Tse Chin-wan, Secretary for Environment and Ecology, Miss Janice Tse, Permanent Secretary for Environment and Ecology (Environment) and Miss Diane Wong, Under Secretary for Environment and Ecology, to the meeting.

3. With the aid of a PowerPoint presentation, Mr Tse Chin-wan briefed Members on the major policy measures of EEB (Environment Branch) in relation to environmental protection and relevant matters in the 2023 Policy Address (“2023PA”).

Energy Conservation

4. Members expressed support for the environmental initiatives in the 2023PA. In response to a Member’s question on the plan to increase the ratio of renewable energy (RE) for electricity generation up to 10%, Mr Tse Chin-wan shared with

Members that the Government had planned to develop a large-scale floating solar system with a generating capacity of 5 megawatts at Plover Cove Reservoir; to facilitate public and private RE projects as well as to explore the application of new technology such as building-integrated photovoltaics (BIPV). Together with the solar systems to be installed in rural village houses, he considered that it would be feasible to increase the share of RE in the fuel mix for electricity generation to around 7.5% to 10% by 2035. Another Member suggested that the Government should incorporate the requirement of using RE such as BIPV in the Building Energy Efficiency Ordinance.

5. Drawing reference from other places, a Member suggested that the Government should put in place an easy-to-understand labelling system, with appropriate incentives or penalties, to indicate the level of energy efficiency for buildings. Mr Tse Chin-wan thanked the Member for her suggestions and remarked that EEB was exploring the possibility of introducing such labelling system. The Member and another Member further suggested that the Government should increase the use of RE and improve the energy efficiency of public utilities and infrastructures such as sewage treatment facilities and Public Rental Housing estates.

Decarbonisation

6. Addressing a Member's enquiry about the plan and targets on carbon reduction, Mr Tse Chin-wan advised that the Government targeted to improve the energy performance of government buildings and infrastructure by 6% by 2024-25 through various measures, such as extending the requirement of regular energy audits to more types of buildings and the carbon audit practice to Government infrastructures, shortening the interval of energy audit from 10 to 5 years etc. With the growing importance of the environmental, social and governance responsibilities of companies, he considered that corporations would be motivated to reduce their carbon emissions proactively.

7. In reply to a Member's question about embodied carbon, Mr Tse Chin-wan explained that in accordance with the Paris Agreement, embodied carbon emission was excluded from the calculation of carbon neutrality achievements. This notwithstanding, the Government would promote and encourage the reduction of embodied carbon through other green building initiatives.

Green Transport

8. With regard to a Member's question on the producer responsibility scheme (PRS) for electric vehicles (EVs), Mr Tse Chin-wan advised that while details of the scheme were yet to be worked out, retailers of EVs would be required to take responsibility for recycling the retired EV batteries. Pointing out the high cost involved in recycling retired EV batteries and the question on cost effectiveness in doing it locally, the Member enquired whether the Government would collaborate with the Greater Bay Area (GBA) on EV battery recycling. Mr Tse shared that

some local recyclers found it a profitable business in the long run following the popularisation of EVs. He added that EPD was currently inviting tenders for the lease of land in EcoPark for EV battery recycling business and the Government would also explore the possibility of collaboration with GBA as appropriate.

9. In reply to a Member's enquiry about the plan to achieve 200 000 parking spaces with EV charging facilities, Mr Tse Chin-wan indicated that about 140 000 parking spaces of residential buildings would be made available under the "EV-Charging at Home Subsidy Scheme". The Government had also approved more than 78 000 EV parking spaces through the arrangement of gross floor area concession in new private buildings. The Government was optimistic about achieving the 200 000 target. With reference to the Member's reminder on the speed of the charging facilities, Mr Tse expected that places such as residential estates or office premises would mostly be equipped with charging facilities of moderate speed while high-speed charging facilities would be provided at extra cost at certain public and commercial locations.

10. A Member opined that there should be synergy in the development of electric and hydrogen transport with the necessary infrastructures available to support the use of both types of energy. Mr Tse Chin-wan remarked that Hong Kong had made notable progress in promoting the popularisation of EVs in recent years. The Government would also continue to liaise with the energy suppliers on building hydrogen refill stations in Hong Kong. Mr Tse expected that EVs would be more popular for private cars or light vehicles, whereas hydrogen vehicles would be more for heavy-duty vehicles/equipment which were more energy demanding.

Hydrogen Development

11. A Member enquired about the plan of regional cooperation on hydrogen development. Mr Tse Chin-wan shared that Foshan had hydrogen-fuelled light rail vehicles and was a pioneer demonstration area for the development of the hydrogen energy industry. He said that Hong Kong would maintain close communication with the GBA to exchange experiences and to align the relevant technical standards to facilitate the development of the industry and Hong Kong's integration into the GBA.

12. A Member suggested that the Government should coordinate the procurement of green hydrogen to reduce the cost with economies of scale. Mr Tse Chin-wan advised that the prevailing global cost of green hydrogen was high and it would not be feasible for Hong Kong to bring it down with the limited local usage. This notwithstanding, he said that the Government aimed to formulate the Strategy for Hydrogen Development in Hong Kong next year and establish a regulatory framework and technical standards for the use of hydrogen.

13. A Member suggested that the Government should utilise food waste for electricity generation and explore the possibility of producing green hydrogen from

it. Mr Tse Chin-wan explained that the existing organic resource recovery centre would convert food waste into biogas which could be used for electricity generation. On the possibility of local production of green hydrogen, Mr Tse indicated that it would be subject to a sizable local demand and the reduction in production and operation costs over time.

Waste Reduction

14. A Member sought information about the plan of building a “Zero Waste Bay Area” and the possibility of engaging the business sector in the relevant initiatives. Mr Bruno Luk responded that Hong Kong would maintain close communication with other GBA cities to exchange experiences and explore cooperation possibilities.

15. Pointing out that consumer products seemed less durable nowadays, three Members suggested that the Government should put in place legislation or measures to encourage the manufacturers to enhance their product durability which could contribute to waste reduction at source. In particular, manufacturers of electrical appliances should be requested to guarantee the availability of spare parts for a reasonable period of time, say five years after product launch. One of the above Members added that the Government should strengthen publicity and public education to encourage sustainable design and production in the industry. Mr Tse Chin-wan thanked Members for their suggestions and said that the Government would look into the matter. EEB

Other Matters

16. A Member enquired about the plan to incorporate environmental considerations such as achievement of carbon neutrality in large-scale development projects including the Northern Metropolis and Kau Yi Chau Artificial Islands. Mr Tse Chin-wan understood that the Civil Engineering and Development Department had plans to incorporate green concepts such as carbon neutrality, green transport and the use of RE in those projects while they were still in the early planning stage. The Member opined that the Government should provide more opportunities for the academic and business sectors to participate in and make contribution to the different environmental initiatives.

17. In response to a Member's suggestion on compiling and promoting the various achievements of EEB, Mr Tse Chin-wan advised that the former Environment Bureau had promulgated a leaflet “Hong Kong Environmental Report 2012-2022” in June 2022, which highlighted the key environmental achievements of Hong Kong in the past decade. He remarked that EEB would strengthen the publicity efforts to promote its achievements and efforts on environmental protection. To follow up, the Member asked about the plan on nature conservation and Mr Tse supplemented that there had been ongoing marine conservation efforts such as the designation of a new marine park and fish culture zones to protect the marine ecology.

Conclusion

18. The Chairman thanked Mr Tse Chin-wan for the detailed presentation and explanation and concluded that Members were supportive of the environmental initiatives in the 2023PA. Mr Tse thanked Members for their valuable comments and suggestions.

(A Member, Mr Tse Chin-wan, Miss Diane Wong, Miss Janice Tse, Mr Fong Kin-wa, Mr Bruno Luk and Ms Fanny Hui left the meeting at the end of this session.)

Item 2: Confirmation of the draft minutes of the 260th meeting held on 4 September 2023 (Closed-door session)

19. The draft minutes of the last meeting were confirmed without any proposed amendments.

Item 3: Matters arising (Closed-door session)

20. There were no matters arising from the minutes of the last meeting.

Item 4: Proposal on Tightening the Sulphur Content Limits of Marine Light Diesel and Industrial Diesel and Lifting the Restriction on Use of Liquid Fuel and Solid Fuel in Sha Tin Fuel Restriction Area (ACE Papers 21/2023 and 22/2023)

21. The Chairman invited Members to refer to *ACE Paper 21/2023* which briefed Members on EEB's proposals to tighten the sulphur content limits of marine light diesel (MLD) and industrial diesel to no more than 0.001%; and to lift the restriction on the use of liquid and solid fuel in Sha Tin fuel restriction area. A background note on the subject (*ACE Paper 22/2023*) had been circulated to Members before the meeting.

22. There was no declaration of interest by Members.

(The presentation team joined the meeting at this juncture.)

Presentation cum Question-and-Answer Session (Open session)

23. Dr Kenneth Leung gave an opening remark and briefed Members with the aid of a PowerPoint presentation on the background, considerations and details of EEB's proposal.

(i) Proposal on Tightening the Sulphur Content Limits of MLD and Industrial Diesel

24. Members supported the proposal on tightening the regulation of MLD and industrial diesel as this could further improve the air quality of Hong Kong. A Member sought clarification on the scope of the proposals. Mr Nick Tsang explained that currently, the Air Pollution Control (MLD) Regulation (Cap. 311Y) regulated the supply of MLD whereas the Air Pollution Control (Fuel for Vessels) Regulation (Cap. 311AB) regulated the use of MLD. EEB proposed to amend the statutory cap of the former in respect of the sulphur content of locally supplied MLD from 0.05% to 0.001%. On implementation, Mr Tsang supplemented that EPD would conduct surprise checks of the fuel content from vessels so as to monitor the compliance situation. EPD would also request fuel suppliers to provide transaction records from time to time.

25. In reply to two Members' enquiry, Dr Kenneth Leung explained that ocean-going vessels (OGVs) usually had two tanks of bunker fuel, one with lower sulphur content for use in the Sulphur Emission Control Areas whereas the other tank with higher sulphur content which was less costly for use in areas without control. Upon entering areas with emission control such as Hong Kong, the vessel operators could switch to use the tank of fuel with lower sulphur content easily.

26. On a Member's question on the consultation work and stakeholders' views on the subject, Dr Kenneth Leung advised that EEB had been engaging various marine trades and stakeholders since 2021 to seek their views on the proposal. The trades were generally supportive although some vessel operators had expressed concerns about the possible cost implications.

27. Dr Kenneth Leung shared that the difference in price of the imported MLD with sulphur content not exceeding 0.001% and 0.05% was less than 1% of the fuel price from February to July 2023. Even at times when the international oil prices were volatile, the difference in price was usually less than 5% on average over the past two years. As such, the proposal would not have significant impact to their operating cost. Given the small price difference, the Chairman asked if the sulphur content of MLD for OGVs could also be tightened to 0.001%. Given the higher fuel consumption of OGVs, Dr Leung considered it prudent to provide exemption to them at this juncture to safeguard the competitiveness of Hong Kong as marine transport hub.

28. Two Members held the view that the Government should maintain the competitiveness of Hong Kong as a bunkering port in Asia whilst tightening the regulation to improve air quality. Dr Kenneth Leung concurred with Members and shared that the proposed exemption for OGVs would serve the purpose. He added that the proposed amendments would dovetail with the fuel policy of the Mainland.

(ii) Proposal on Lifting the Restriction on Use of Liquid Fuel and Solid Fuel in Sha Tin Fuel Restriction Area

29. The Chairman asked and Dr Kenneth Leung confirmed that currently, residents in Sha Tin could only use liquid or solid fuel within domestic premises and business usage was not allowed. While supporting the proposal, a Member reminded that EEB should strengthen publicity efforts to explain clearly the reasons behind and to address concerns on the possible environmental and health implications. Dr Leung thanked the Member for her suggestion which would be taken into consideration.

30. The Chairman concluded that Members were supportive of EEB's proposals and thanked the Government representatives for addressing Members' questions.

(The presentation team left the meeting at the end of this session.)

Item 5: Report on the 43rd Waste Management Subcommittee Meeting (Closed-door session) (ACE Paper 24/2023)

31. On the invitation of the Chairman, the Chairman of the Waste Management Subcommittee (WMSC) reported the key discussions at the 43rd WMSC Meeting as summarised in *ACE Paper 24/2023*. The WMSC Chairman reported that the subcommittee Members were supportive of the implementation of Municipal Solid Waste (MSW) Charging and gave valuable comments on various aspects including compliance issues, publicity and public education, community recycling network and food waste recycling. EPD had taken note of Members comments at the meeting and would update the WMSC on the implementation progress next year.

Item 6: Any other business (Closed-door session)

Environmental Impact Assessment (EIA) Reports not selected by EIA Subcommittee (EIASC) for submission to ACE

32. The EIASC Chairman reported that since the last ACE Meeting, the EIASC received the Executive Summary of five EIA reports, namely (1) "Airport Tung Chung Link Project", (2) "Widening of Tsuen Wan Road and the associated junction improvement works", (3) "Route 11 (Section between Yuen Long and North Lantau)", (4) "Tuen Mun Bypass" and (5) "Improvement to So Kwun Po Interchange" which were not selected for discussion. The Executive Summary of the relevant EIA reports had been circulated to EIASC Members upon the commencement of the public inspection period, with the relevant hyperlinks copied to non-EIASC Members for information. Members were advised to provide their comments, if any, on the EIA reports directly to the Director of Environmental Protection within the respective public inspection period. Given that the EIA reports had not been selected by EIASC for presentation and discussion, the EIASC

Chairman informed Members that EPD would take that the ACE had no comments on the EIA reports under section 8(3)(b) of the EIA Ordinance.

33. The Chairman informed Members that the Secretariat would issue the tentative meeting schedule for 2024 shortly and invited all Members to make time for the meetings by reserving their diaries. As Members had very busy schedules, the Chairman suggested that subject teams of EEB/EPD should liaise as early as possible with the Secretariat for any ad hoc meetings, say at least three months in advance, with a view to facilitating more Members to join the meetings.

EEB/EPD
The
Secretariat

34. There was no other business for discussion at the meeting.

Item 7: Date of next meeting (Closed-door session)

35. Members would be advised on the agenda in due course.

36. There being no other business, the meeting ended at 4:25 p.m.

**ACE Secretariat
February 2024**