"Tessa Blandford"



22/03/2006 19:54

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies??licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: T Blandford



To: electricitycommentstage2@edlb.gov.hk

Subject: -翠篠-カ初-ゼ出祇-材-頂琿吭高 ☐ Urgent ☐ Return Receipt

近日從報章上得悉某些人認為「香港電力市場的未來發展第一階段諮詢」的結果 與他們所做的民調結果不同,有「造馬」成份。在該諮詢中,最重要的一項為供電穩 定性,而他們所做的民調則認為最重要的一項為價錢。

作為消費者,當然希望附出較少。但如過份壓低價錢而影響其他方面,如供電穩 定性、造成環境污染等,所附出的代價不是更大嗎?

無間斷的電力供應已是大家生活的一部份,所以大家忽略了它對自己的重要性。一如絕大部份的香港人一樣,本人是住在高樓大廈。本人所住的大廈於去年曾經作出多次停電,有的在日間,有的在晚上。在日間停電時,如不用上班,可選擇避免留在家中,如逛商場、到圖書館等打發時間,但如在夏天的晚上,那可慘了一沒有風 扇及冷氣,漫漫長夜怎麼過!但對我來說,那些還是次要。本人雖然是「朝九晚五」 上班族之一,但因職責關系,本人需要二十四小時候召。故每當看到所住的大廈貼出 公共供電系統暫停的告示時,所擔心的不是沒有風扇及冷氣的漫漫長夜,而是擔心當晚因工作關系,接到召喚,需要摸黑下樓返回辦公室。

武想想,一些須要輪班工作的人、一些須要隨時候召的人、醫院、一些在家中倚

靠電力操作的「維生器」維持生命的病人等,對他們而言,供電的穩定性絕對凌架價 錢。

希望有關方面能夠作出審慎的決定。

T.C.

Economic Development and Labour Bureau 2/F Central Government Offices
Main and East Wings
Lower Albert Road, Central
Hong Kong

Dear Sirs,

I am writing in response to your consultation paper on "Future Development of the Electricity Market in Hong Kong (Stage 2 Consultation)".

I am concerned that the government is increasingly taking an "interventionist" approach towards business. Regulating the electricity market is contrary to what Hong Kong has historically stood for:

- Why would the government want to conduct annual reviews on tariffs and the authority to approve every tariff increase (2.40). The rate of return already ensures power companies do not charge more than they are entitled to. The power companies are already having difficulty increasing tariff even if their returns are well below what the agreed rate as there is too much political pressure preventing them from doing so.
- ¶ Under a good regulatory environment, it should be in the power companies' interest to be operationally efficient anyway. The power companies should be assessed by the service they provide at the tariff they charge the government does not need to review this.
- ¶ Benchmarking against rates adopted in overseas electricity markets is fine as long as the difference in market structure, regulatory regime and business risks involved is fully incorporated in the benchmarking. I doubt this will be accurately performed and fairly portrayed by the government, and therefore would object to the benchmarking effort.
- ¶ I support reusable energy and am concerned about the lack of details about what incentives there are to encourage its use. The government should take more drastic measures to ensure the power companies are given substantial incentives in promoting reusable energy. Instead of setting targets to punish the power companies for failing to comply, shape strong incentives for power companies to proactively take bold steps on their own to promote reusable energy. The proposal that "any gains achieved by the power companies through using RE should be

shared with the consumers" is inappropriate as does not encourage reusable energy development.

Lower the tariffs the better is clearly as long as quality and reliability can be maintained. The current scheme of control has been very effective in ensuring world-class service quality — any change now to the existing scheme of control must carry the assurance that service levels will not be compromised. Inappropriate intervention risks jeopardizing this standard of service and also may harm HK's ability to attract investors longer term.

Yours sincerely,

T C Chu



"Lam T.C."

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: Comment on Stage II Consultation on future of electricity market

Urgent Return Receipt

27/03/2006 23:00

I would like to express my point of view on the proposal on shortening the term of new agreement to 10 years.

To shorten the agreement term, it may discourge long term investment.

I suggest to review carefully before making the decision

T.C. Lam

22/03/2006 00:33

cc:

Subject: 對"香港電力市場未來發展第二階段的諮詢文件" 之回應

☐ Urgent ☐ Return Receipt

對"香港電力市場未來發展第二階段的諮詢文件"之回應

- (1) 穩定及可靠的電力供應是香港作為世界級城市重要因素之一。香港的電費開支平均 佔香港家庭的總支出只有百分之一點七(臺北為1.97%),香港的電費水準應算合理。
- (2) 穩定及可靠的電-供應是作為世界級商業城市,重要條件之一。由中電、港燈-電, 客戶在二--三-的用電-分析中,若按-電客戶-別區分:港燈客戶總-約為五十萬,其中商 業用戶高達72%,顯示香港電-供應以商業用戶為主。香港作為重要世界級商業城市, 其穩定及可靠的電-供應,其優良制度應予維持。在過去半個堆世紀以來,香港電力供 應均是由中電、港燈兩機構提供,相較臺灣只有臺電一家而言,香港電力供應具有部 分競爭、相互比較之好處、又可避免全面市場競爭所造成電力供應不穩定之因素。
- (3) 為穩定電-供應,及從事必要的重大設備長期投資,並考慮雙方共同利益,協議年 期定為十五年應可接受。

香港居民

T. Chan

2006/3/22

"T Chu"

23/03/2006 22:02

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
hı	reath of cl	lean air	^ .											

breath	of	clean	air.
Sign: _		_T Chu_	

"T. Donohue"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 17:31

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Sign:T. Donohue	Sign:	т.	Donohue
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"T E Berry"



24/03/2006 09:24

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: _T E Berry

"Cosmocon"



24/03/2006 13:36

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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Sign:		T Freidel	_		

"Ishbel How"



24/03/2006 19:42

To: <electricitycommentstage2@edlb.gov.hk>

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Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: T.I how



To: <electricitycommentstage2@edlb.gov.hk>

Subject: Comment on future development in electricity in HK

Urgent Return Receipt

Dear Sir,

I refer to the consultation paper compiling the public views in stage I consultation exercise, and would like to voice out my own opinion as follows:

Environment Regulation

I opined that the areas of concern for environmental protection issue should be widened to cover all walks of life, automobile emission for instance, and the progress of implementation by individual industry should therefore be relieved to a rather gentle and affordable manner.

I oppose the proposed emission caps penalty or even linking it to the permitted rate of return suggested in the consultation paper as the set targets are too hurry and hence too expensive to afford by any particular industry.

I believed very much that those are all the Hong Kong citizens who would bear the cost concerned ultimately.

Economic Regulation

Fully concur with the statement in consultation paper that the electricity supply industry is capital intensive, requiring long lead time for planning and long pay-back period. In this regard, it would be extremely unfair to reduce the duration of the bilateral agreement to 10 years with an option to extend for another five years subject to separate review conducted.

I personally support the solid 15 years time period of current SCAs.

The prime objective of SCAs, which was introduced in the past couple of decades, was believed to encourage investment in the electricity industry in Hong Kong. Its brilliant and fruitful outcomes contributing in prosperity and economic growth as a whole in Hong Kong have been well proven.

In order to keep the momentum of the ongoing excellent development of the trade, I object to lower the permitted rate of return to the proposed range of 7% to 11% and strongly suggest maintaining the similar mechanism adopted in current SCAs.

Expecting the co-existence of both cutting the return of investment and enjoying the ongoing healthy development of the electricity industry is really idealistic, or fantasy I would say, and definitely not sensible.

To conclude my view, I do not support giving up the current well proven SCAs or introducing any drastic change to it, which may possibly lead to a disastrous consequence, like the nightmare of the total black out in North America recently. The risk to bear is too high to be afforded.

T.K. Chan

"Trent Mak" 27/03/2006 15:52

To: <electricitycommentstage2@edlb.gov.hk>

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Sign:	T.M			

我不同意使用十年期協議因為年期太短. 一條電纜,一件設備的價與是很貴的,

只有十年期協議,如何保證投資會有合理回報,如何生存,結果只有減少投資,引至面力供應不稳定,最終損失只有香港自己,無電不能做生意.



T.P. Hurry

"T-R Churchouse"



27/03/2006 08:43

To: <electricitycommentstage2@edlb.gov.hk>

cc:

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☐ Urgent ☐ Return Receipt

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Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
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Sign:			_				

"T.S. Farnen" 29/03/2006 16:20

Го:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>
~~.	

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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Dieac	1 01	Clean	aii.				
Sign:			_				

"T S Kuan"



19/03/2006 23:11

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Re: Future Development of the Electricity Market in Hong Kong –
Stage II Public Consultation 香港電力市場未來的發展 – 第二階段公 眾諮詢

☐ Urgent ☐ Return Receipt

Dear Sirs,

While the Government emphasized that the proposed regulatory framework as set out in the Stage II Consultation Paper was drawn up to ensure the public

can continue to enjoy reliable, safe and efficient electricity supply at a reasonable price, and to minimise the impact caused by the production and use of electricity on the environment, the Government appears to be too optimistic and has oversimplified the outcome of the proposed changes in the

terms of the existing Scheme of Control Agreements. Other than pleasing the

politicians/pressure groups, the Government has not carefully reviewed each area of concern and its consequence on the future electricity supply market.

The proposed reduction in the permitted rates of return to 7 - 11% for different types of assets and shortening the term of the new Scheme of Control Agreements to less than 10 years will certainly have an adverse effect on the power companies' initiatives in investment on new generation and transmission facilities. The use of different rates for different types

of assets is considered too complicated and clumsy for calculating the return on investments as it is always difficult to have a clear cut between generation and emission reduction equipments. A lower rate of return for emission reduction equipments will only discourage the power companies to adopt best practical and reliable means to lower the emissions from their plants.

Unless the Government has an intention to rely on the electricity supply from the Mainland China to meet demand in Hong Kong in the next two decades,

the lack of sufficient incentives to the power companies even on refurbishment or upgrading of their existing ageing facilities (some of which are due to retire by the end of the next decade) will eventually affect the reliability and degrade the quality of the electricity supply in Hong Kong. If that happens, it will spoil the image of Hong Kong as a world-class financial and commercial centre. The one finally suffered will be the people who have to rely on the economic growth of Hong Kong for living and are now enjoying a highly reliable electricity supply through the

so-called "over-investments" of the power companies.

Besides, though natural gas is in no doubt a cleaner fuel than coal, the Government should review carefully the correctness of its current policy of promoting power generation by natural gas only. Same as the States, the use

of clean coal technology for power generation should be considered in the long term taking into account the limited natural gas reserve in the world.

As electricity reliability has to come at a cost, and sufficient and continuous investment in the infrastructure will much depend on the incentives offered to the power companies, a 15-year regulatory period with a sufficiently attractive permitted rate of return is considered desirable for attracting further investment in power generation, transmission and distribution facilities in Hong Kong no matter it is to be done by the existing or new power players. Drastic change to the existing Scheme of Control Agreements is therefore not a wise choice.

Best regards,

T.S. Kuan 19 March 2006 Economic Development and Labour Bureau Central Government Offices, Lower Albert Road, Hong Kong.

Dear Sir.

Future Development of the Electricity Market in Hong Kong Stage II Public Consultation

I would like to respond to the Consultation paper.

I object to the proposal to reduce the permitted return of the two power companies to 7-11%. The return of up to 15% is reasonable, considering the capital investments necessary to provide a reliable supply.

I also object to opening the electricity market to Guangdong. With the shortage of electricity supply there, we cannot expect them to provide the level of reliability to which we are accustomed. And what's more, they will pollute our environment. How can we on the one hand complain about the emissions generated by the two power companies when on the other hand we purchase electricity from these heavy polluters?

Your proposal to punish the power companies by giving them a lower rate of return for installing emission return facilities does not make sense – instead, we should give them enough incentive to build such facilities. The return should be the same as that for other capital investments.

Lastly, the duration of the new bilateral agreement should be for a minimum of 20 years.

Yours truly,

T.S. YEUNG

"T Scully"



27/03/2006 14:12

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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hт	reath of cl	lean air	<u></u>											

breath	of	clean	air.	
Sign:			_	

"Tristan STEWART"



27/03/2006 07:56

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	т	Stewart	
DIGIT.		BLEWAIL	

t tt

30/03/2006 23:22

To: electricitycommentstage2@edlb.gov.hk

Subject: 對第二階段諮詢的看法 Urgent

Return Receipt

電力市場第二階段諮詢

對第二階段的諮詢,本人有以下的看法:

- 香港作為一個世界金融中心,供電可靠性是最重要的,而政府在這次的 諮詢文件中亦確認了這點。從兩電的記錄看來, 供電的穩定性是無可至疑的, 如果要 將十五年的協議期改為十年, 這會影響電力公司的經管策略, 因為電力這行大部份的 資產都會有較長的回本期,如協議期過短,這會影服務的質素,亦可能會對將來的經 濟發展做成障礙,因沒有足夠的電力投資,這是由於忽略了電力基建需要較長的投資 週期。
- 2. 如電費的調整必須得到政府批准, 這樣規管架構便不能保障電力公司有權收回的 成本及賺取的准許回報,亦開創了政府干預私人企業運作的先例。
- 兩電在環保工作上亦做了很多工夫,例如:第一座風力發電機亦已投產,另外 更多的發電機將採用天然氣,這對我們的環境、健康及空氣都有好處。在現行的環保 條例中已對兩電的排污有所監管及罰則, 如果再將准許回報率與排放量上限目標掛鉤 的話,電力公司將會有雙重的重罰,再者在未有一個清晰的2008年規管架構之前,這 可能令投資因要承擔額外風險而受到窒礙。

最後,本人希望政府能與兩電和諧地達成雙贏的協議,為未來的香港再創高峰。

T Tang

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sir,

Stage II Consultation

I would like to express my opinions on the Stage II Consultation paper.

With only 7%-11% rates of return and 10 years regulatory period, investment risks will highly increase. Power utility investors will not have interest to invest huge and long-term capital in electricity infrastructure. Without adequate investment, reliability of electricity supply will deteriorate tremendously and we will suffer from power interruptions and electricity blackouts.

The government should keep the regulatory period at 15 years and increase the permitted rate of return to an adequate level to attract investors to keep on investing in the electricity infrastructure.

Yours faithfully,

T.W. Chan

"T.W. Choi" 25/03/2006 23:20

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: T.W.Choi



t tt

To: electricitycommentstage2@edlb.gov.hk

Subject: 對第二階段的諮詢有以下的看法及意見

☐ Urgent ☐ Retrun Receipt

本人對第二階段的諮詢有以下的看法及意見:

31/03/2006 00:25

- 13.5% 的利潤率是否過高,這在乎比較的時間性,如在經濟好及上升的 時候,13.5% 可能是偏低都未定,如果我們用家庭收入來比較,電費可能只是收 入的2% 至 3%, 我覺得這不是太多, 加上多年來電力供應穩定可靠, 令香港可 以成為一個世界金融中心,令維港多年來的夜景及引了無數的遊客。
- 由於電力的投資及基建有別於其它工業,所以投資及回本期往往較長, 因此由十五年的協議期縮短為十年,這樣對電力公司會有很大影響,例如:失去 投資者的信心,對將來的投資策略及發展有所限制,所以十五年的協議期亦非話 太長。

兩電在港服務市民亦超過百年,現行的制度亦運作得良好,不要因只能稍微降低 電費,而室礙兩電繼續投資,亦不想政府再浪費納稅人金錢做一些不必要的改 革。

T Wong

"T. Y. Chan"

18/03/2006 00:36

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

T. Y. Chan



"Ho Sum Yee"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 香港電力市場未來的發展 – 第二階段公眾諮詢

☐ Urgent ☐ Return Receipt

30/03/2006 23:18

本人對香港電力市場未來的發展 - 第二階段公眾諮詢有以下意見:

1. 香港作為一個國際金融中心,可靠的電力供應是致為重要的。所以任何影響電力市場政策的建議改動,

都不應降低目前可享受得到的可靠電力供應。在這方面,目前兩電的表現實在令人滿 意。

2. 香港空氣污染的主要源頭來自那裏,政府並未有確切的數字,相信來自珠江三角州一帶所

排放出的污染物才是真正元兇。所以單單壓止兩電的污染排放不能有效地改善空氣質素。相反,這會增加兩電的投資而令市民的電費增加。

3. 在目前及未來十數年,不應預期由大陸供電到香港,因這樣只會減低供電的穩定 性及

增加香港大停電的風險,以至加重珠江三角州一帶原本已經很嚴重的空氣污染。

- 4. 至於發展再生能源方面,必需要考慮將會增加的供電成本與及在技術上和經濟效益上的因素。
- 5. 政府建議將兩電目前的准許利潤調低到 7至11%,這數字如何得出,政府未有解釋。然而,香港目前的電費不見得很昂貴(平均只佔家庭開支的 2%),市民應有能力負擔,侃且以電力公司的巨額投資,

一個不低於10%的回報率實屬合理。

6. 因電力系統的設計及投資需時,而且設施的資產壽命動輒十多年以上,所以政府 建議縮短協議年期到十年是對電力公司不公平。

T.Y. Heung

"Tai Chun Wan"



24/03/2006 22:20

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACI	· OI	CICan	all.				
Sign:			-				



堤記工程有限公司 TAI KEE ENGINEERING CO., LTD.



6th Mar 2006

Economic Development and Labour Bureau 2/F., Central Government Offices Main & East Wings Lower Albert Road, Central Hong Kong

25059329

Dear Sirs.

STAGE II CONSULTATION ON FUTURE DEVELOPMENT OF THE ELECTRICITY MARKET IN HONG KONG

We are an engineering company in Hong Kong. As a consumer of electricity and also an engineering company, we are very concerned about the future development of the electricity market in Hong Kong. After reviewing the Stage II Consultation paper, we would like to give our opinion as follows:-

We support the proposal to maintain the scheme of control as it is currently very effective to regulate the two electric utilities and at the same time provide very reliable electricity supply to Hong Kong. But there are some points in the consultation paper that worry us.

We are doing engineering business in Hong Kong and understand the importance of reasonable profit to a company. The plants built by electric utilities are very capital intensive. The proposed rate of return is reduced to 7-11%. This will surely reduce the willingness of the electric utilities to add new plants. As a result the electricity supply will become less reliable. The economy of Hong Kong will be affected as a result.

Furthermore, the plants built by electric utilities have very long life cycle, from feasibility study, planning, design, build to commission and operation. The paper proposed to reduce the regulatory period to 10 years. This is surely not in line with the trade norm and the electric utilities will further avoid building new plant.

We consider reliable electricity supply is a must for the economic growth of Hong Kong and is essential to upkeep the competitiveness of Hong Kong compared with cities in the mainland. We consider the rate of return and regulatory period should be maintained at the current level, that is, 13.5% and 15 years. Thank you for your attention.

Yours faithfully,

Hul. Fr. C. See.



"TaiPo Environmental Ass."

To: electricitycommentstage2@edlb.gov.hk cc:

31/03/2006 20:00

Subject: consulation paper submission

Urgent Return Receipt

please see attached from the Tai Po Environmental Association regards

<u>•</u>

electricity comments.doc



大調環保協進會 Tai Po Environmental Association

www.taipoea.org 香港新界 大埔墟 廣福道五十四號十三樓

Corres. Address: 54, Kwong Fuk Road, 13/FL,Tai Po Market, Hong Kong Email: taipoea@sinatown.com Tel: 2739 2481 Fax: 2690 3438

31 March 2006

Electricity Consultation Stage 2 comments

- 1. Emission control must be tightened to reduce air pollution,
 - subsequence acid rain likely to damage biodiversity in HK, including butterflies and plants,
 - health and breathing diseases.
- 2. Renewable energy systems should be encouraged and allowed to be connected to the Grid system,
 - green and clean energy
 - higher efficiency when connected to the grid.
- 3. Should install more renewable energy system in power station or local levels for both adapting clean energy and education of the general public.
- 4. Tighten control on profits and to avoid excessive installation of electric generating systems.
- 5. Increase capacity of the present electricity linkage between the HK and Kowloon, to allow power generation and spare/standby capacity on an overall calculation. Connect the HK and Kowloon electricity grid network.

Regards
Dr WK YAU
Chairman

tai suk ha

30/03/2006 12:22

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

tai suk ha

tai wai ying

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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30/03/2006 12:23

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I strongly recommend the Government to:

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I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

tai wai ying

"Ho Tak Ching"



23/03/2006 20:34

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: takching ho

"Takemi Morbelli"



26/03/2006 12:30

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Takemi Morbelli



To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: 香港電力市場未來發展第二階段諮詢文件

Urgent Return Receipt

香港有現時的電力穩定,有賴於電力管制法則,使電力公司不斷投資更換,更新設備,使電力質素和服務提高。我不敢想象,電力市場開放後,所有新投資減少,對社會短期不會影響,但長遠來說,損失是社會大眾。電力公司的大量投資也有利香港經濟,如政府的大型建設。但政府也應該加設條款用於管制適當的投資。

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Stage II Consultation Paper On Future Development Of The Electricity Market In Hong Kong

Dear Sir,

I would like to make comments on the Stage II Consultation Paper: -

- (a) I support your proposed policy objectives, especially on the paramount importance on reliability and safety of electricity supply. At present, Hong Kong has a world-class electricity system. We want to have high reliability and safety of electricity supply in the post-2008 period.
- (b) I like to see that the bilateral agreement between the Government and the power companies for the future institutional arrangement is proposed in the Stage II Consultation Paper. I support this SCA-type arrangement as there are no major changes as compared to the existing one, which is well established and successful.
- (c) I do not agree with your proposal of 10-year regulatory period with an option to extend for another 5 year. I think you ignore the long-term nature of the investment cycle and contractual commitments especially to power companies. It will lead to the increase of the investment risk.
- (d) Reducing the rate of return will discourage power companies to invest. Therefore, you should be very careful about the setting of the rate of return. How can we maintain the world-class electricity system if we cannot attract investors to invest our electric network? How can we maintain a high reliability and safety of electricity supply, which is very critical to our economy and society? I do not want a system blackout and I am willing to pay more for a secure and reliable electricity supply.

Yours faithfully,

Tam Chung Man

Tam Dora 31/03/2006 09:31

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

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I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Tam Dora

13 March 2006
Economic Development and Labour Bureau
2/F, Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Tam Ka Yi

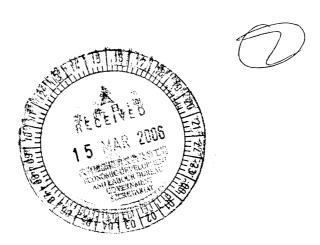
Dear Mr S.K. Ip,

Re: Stage II Consultation Additional Risks to be faced by Power Companies

Regarding to the Stage II Consultation, I like to comment the following issue for your serious consideration.

There is no schedule and detail being disclosed in the paper for opening market and grid access. Without these details, how can the power companies formulate their long-term investment plan? As a commercial society, there is nothing wrong for anyone to ask adequate return from his/her investment to compensate risk. To be fair for the power companies, I oppose to lower their return rate from 13.5% to 7-11% when such uncertainties in market competition are being taken into account. To minimize the chance of underinvestment, would it be safer to adopt the current SCA regime just with some minor modifications? As a responsible government, please don't change an effective & well-proven regime for the sake of change or due to some undue political pressures.

Regards,



"Tam Kar Hay" 17/03/2006 21:08

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tam Kar Hay

"Tam Kwok Leung"



17/03/2006 15:29

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tam Kwok Leung

"tam lai shan" 29/03/2006 08:46

To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

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Sign:			_				

"Tam Man Kei"

20/03/2006 09:32

To:	electricitycommentstage2@edlb.gov.hk
cc:	
	我要清新空氣
-	☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tam Man Kei

香港中環下亞厘舉道 中區政府合署中及東座2樓 經濟發展及勞工局

葉油殖周長:

香港電力市場未來的發展 第二階段諮詢

本人是港燈客戶聯絡小組的成員,多年來一直代表客戶向港燈管理層反映意見,喜兄 港榜的服務水平不斷提升。

本人認爲管制計劃協議行之有效,數十年來電力公司一直以合理及可負擔的電價爲客戶提供充足、安全及可靠的電力供應,及優質的客戶服務;並在環境保護方面表現出色。此點足可証明現有的管制計劃協議已成功落實政府制定的電力政策目標。因此本人希望貨局在制訂未來香港電力市場的政策時,考慮以下各點:

穩定可靠的電力供應及優質的客戶服務至爲重要

對於本港大部份在高樓大厦居住及工作的市民來說,有賴穩定可靠的電力供應,才可享受高度電氣化的優質生活。因此,穩定可靠的電力供應及優質的客戶服務至為重要。

物有所值的供電服務

普羅市民的電費支出相對其他日常家庭開支如住屋、交通、飲食及衣履等,其實所佔不多,現時的優質可靠的供電服務可算仍是物有所值。此外,要維持這種優質服務, 電力公司亦必須有相當資源以進行保養維修,確保服務質素。

改革電力市場應慎重,勿因小失大

諮詢文件內的改革建議會導致在電力基建的投資減少,因而影響供電可靠性。電力市場改革或可帶來輕微的電費下調,但絕不能彌補減低供電可靠性所引致的禍害。政府改革能力市場應慎重,勿因小失大。尤其是在未有明確清晰的方向和策略前,絕不應爲變而變,以免適得其反。

現行管制計劃協議有利政府達到環境保護目標

现行的管制計劃協議提供電力公司較稳定的回報,有利作出改善環境的長線投資。未來電力市場應繼續採用現行的管制模式,以鼓勵電力公司配合政府的環境保護目標。 任何未來規管的安排,均忌藥石亂投,以冤電力服務質素受影響。本人在此教請政府 考慮延續現行規管模式。

TAKI NGAN TUNG 二〇〇六年三月二十一日

"tam sau chun"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應 《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

15/03/2006 21:11

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
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- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
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懇請	特區	政府負	も きょうしゅう とうしゅう とうしゅ とうしゅ とうしゅ とうしゅ とうしゅ とうしゅ	뿌즤	マーダ	片藍天	, 4	哈市民-	一口清	青新空	氣。
tam	sau	chun									
			(署名	·)	啟						

"Tam Tsz Ying"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

16/03/2006 15:57

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Tam Tsz Ying 啟

Economic Development and Labour Bureau 2/F., CGO, Main & East Wings, Lower Albert Road, Central

Dear Mr. Ip,

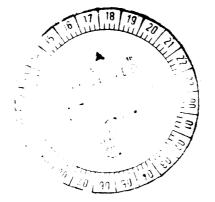
Second Stage Consultation on the Future Electricity Market

I have read through your Consultation Paper on the captioned subject. Please find below my response to your Consultation.

I am uncomfortable with the rate of return proposed in your Consultation as it has already been rejected by both power companies as too low for investors. As such, I am wondering if the investors, given more favourable investment opportunities elsewhere, will be willing to continue their investment in the electricity market in Hong Kong. In fact, why should they? And at the end of the day, it is the whole community that has to bear the brunt of electricity shortage.

Honestly speaking, I cannot find the proposed rate of return convincing as no justification has been given in your Consultation Paper. Perhaps it is about time for the Government to take into consideration what the power companies are saying. After all, please be fair to the power companies which have been supplying us with highly reliable electricity in the past. Please be fair to all the people in Hong Kong.

Yours truly,





Tam Wai Chun

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Tam Wai Keung

Dear Mr. Ip,

Future Development of the Electricity Market in Hong Kong Stage II Consultation

Thanks for this Stage II Consultation arrangement on this subject and I have the following concerns.

1. High Quality of Electricity Supply Services

At present, both power companies do a fantastic job and have attained supply reliability exceeding 99.99%.

2. Clear Responsibility

Even there are no franchised supply areas in Hong Kong but customers know exactly which power company is responsibility if there is power interruption. Once a third party is been granted access to the power grid, the responsibility of electricity supply will become unclear and reliable electricity supply would not be ensured.

3. Waste of Resources

Duplicate infrastructure is needed to accommodate additional players in the electricity supply services that make the supply services very expensive. Extra costs would be passed to customers via the tariff. Open grid access will need large amount of money to setup regulator agents and operation authorities. Finally, these costs will also be passed to customers.

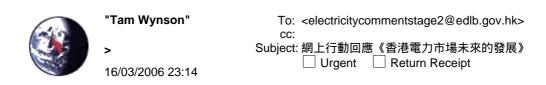
4. Sub-Standard Supply Services

Successful third party grid access will require co-operation among power companies in both Hong Kong and Mainland China, because they are competition in nature and they would not be co-operate easily. Eventually, this will lead to sub-standard supply services.

The current electricity supply services are in excellent shape. It is a lousy idea to break up a successful operation and introduce some unknown factors to stir up uncertainly in the industry.

Yours sincerely,

round differency



致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 2. 可再生能源的投資可享有較高的准許回報率;
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懇請	特區政	存能為香	港帶來-	-片藍天	,給市民 [·]	一口清新空氣。
Tam	Wynson					
		(署名)	啟			

Tam Yip Shing 31/03/2006 12:56

To: (electricitycommentstage2@edlb.gov.hk
cc:	
Subject:	Consultation Paper on Future Development of the Electricity
•	Market in Hong Kong
	☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Tam Yip Shing

"TAM YUK KUEN"

27/03/2006 14:25



To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

TAM YUK KUEN (署名) 啟

Economic Development and Labour Bureau 2/F, Central Government Offices Main & East Wings Lower Albert Road, Central Hong Kong

To: Mr Stephen Ip

Stage II Consultation Paper

After reading the Stage II Consultation Paper about the future electricity market development, I would like to respond as below.

I fully agree with your policy objective that a reliable electricity supply should be maintained. To achieve this objective, I think a reasonable and adequate return should be provided to the power companies to induce their investment in power infrastructure. Under your proposal, could you guarantee that the rates will be sufficient to attract investors? Don't take any chance if you don't have 100% confidence. As the 13.5% rate of return as adopted in the current regime is well-proven to be sufficient for investors, why don't we keep the rate unchanged? I don't want to have the 2003 US blackout incident happened here.

Yours faithfully,

Tam Yun Sum



"Tamara Pacton" 27/03/2006 16:36

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Sign:			_					

"Tamara Varga" 24/03/2006 18:25

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	IOI	Clean	air.				
Sign:			_				

"Tammie cheung"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 17:26

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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hı	reath of cl	lean air	٠.											

breath of	ciean air.		
Sign:	tammie		

"Tammie To"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 09:45

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: _'	Tammie	То
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"Tammy Jollymore"



25/03/2006 12:31

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

"Tammy yeung" 30/03/2006 07:41

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tammy			

"Tammy Yeung" 26/03/2006 15:21

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

tammy	yeung	(署名)	啟	
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"Tammy"

To: <electricitycommentstage2@edlb.gov.hk>

Subject:網上行動回應《香港電力市場未來的發展》 ☐ Urgent ☐ Return Receipt

27/03/2006 11:38

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來 電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承 擔社會與環境責任的幌子。我要求:

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- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社 會、環境與區域發展各方面的計劃與配合;
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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Tammy(署名) 啟

"Tamsin Thomas"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 15:16

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tamsin	Thomas_	



香港的空氣越來越差,為將來應該鼓勵再先能源,香港電力管制行之有效,應將再生能源,準許利潤加大,使電力公司加快發展,使空氣回較以前。為了鼓勵電力公司繼續投資,規管協議年期不能太短,政府應該加設條款用於管制適當的投資。

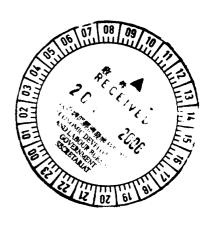
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LIANG CHE BAN BENNY

REGERAN

(3) Cheuk Lin Ying lith

"Tan Chew Yen"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 09:08

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Sign:			_				

"Tan Ee Ling" 27/03/2006 10:20

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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CC:

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

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Dreati	1 01	Clean	air.				
Sign:			_				

"Tan Tang"

24/03/2006 23:38

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Dicacii	or crear	all.			
Sign: _	Tan	Tang			

"tand shuk ying"

cc: Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

To: electricitycommentstage2@edlb.gov.hk

19/03/2006 10:56

致經濟發展與勞工局:

身為香港的一份子, 我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tand shuk ying

Mo: Economic Development and Labour Bureau

Fax: 28684679

Dear Sir,

8th Mar 06

From: C.C.Tang

With reference to the Stage II Consultation Paper on the Future Development of the Electricity Market in HK, I hereby express my comments regarding the "duration of the future agreement" for your consideration.

It's my opinion that the new agreement to be on 10-year term is too short taking into consideration the type of industry and investment involved. The optional extension of 5 years has no merit at all. No sensible investor will take this seriously into their business plan because of the uncertainty of the event. Even if they do, the effect will be discounted significantly. The impact on the financial evaluation of this kind of investment due to this optional extensiom will be minimal.

I have had experience working in mining industry overseas. It has similar characteristics as power industry - high capital investment and long pay-back period. The relevant Government will normally arrange mining lease for a substantial period (over 15 years). Similarly, I read from newspaper that DisneyLand has got over 10 years of rights to operate the theme park in HK. All these proved that, for all high capital intensive industries, it makes economic sense for the operators to invest only if there is a reasonably long period of operations right with certainty, and hence a more predictable income stream for pay-back.

You can imagine that any major enhancement to electricity generating or distribution facilities will take 4-5 years from planning to becoming production. If the terms of the new agreement is only 10 years, then the power company has to ensure that the new facility has to generate the desired returns within the remaining 5 years term. Fully pay-back in 5 years is already difficult to achieve, let alone generating sensible returns within 5 years unless the power company can easily raise tariff to cover this. However, based on the new

proposal that all tariff increase need to be approved by the Government, hence it is almost impossible to make sensible returns if the term of the new agreement is set at 10 years. The effect is that the power company will reduce their investment, hence will have potential impact on the stability of power supply which no one wants to see. Hong Kong's business image will be seriously damaged if there is any prolonged power interruption. This is the price too high to be paid by HK as a whole.

Remember, the new agreement, not only apply to the current 2 power companies, should also affect any potential new entrance. The negative impact is that new investors will be deterred from entering if the term is not long enough. This again will make the intention for 'open competition' more difficult to achieve.

Therefore, I suggest that the terms of the new agreement to be at least the same 15 years as currently is. The 5 years optional extension can also be considered after the 15 years term.

Regards,
Tang, Chi Chiu

09-MAR-2006 07:54 94% P.02

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Tang Chi Kong

Dear Mr. Ip,

Future Development of the Electricity Market in Hong Kong Stage II Consultation

With reference to your Stage II Consultation Paper, I have following comments:

1. Average Net Fixed Asset (ANFA)

There are numerous ways to calculate permitted return on investment. The best way is to calculate permitted return based on ANFA because it is a common practice worldwide, simple to monitor, and easy in calculation. The salient point using ANFA is that permitted return based on ANFA is more conductive to more efficient financing.

2. Different Rates of Return (RORs) for Different Assets

Rates of return as proposed are different for assets that are utilized for different purpose. I have difficulties to understand this arrangement. I believe that as long as the costs of raising capital for the different assets are the same, the returns should the same. Also, this RORs arrangement would also distort the planning priorities. I also disagree with the proposed RORs arrangement because this arrangement will complicate the regime unnecessarily and increase administration costs.

3. Keep the Present ROR to Maintain Current Level of Reliability

ROR to certain extend will undermine the supply reliability, so sufficient ROR should be given to attract the huge and long terms investment required by power companies.

In order to maintain the future prosperity of Hong Kong, I suggest using the current level of ROR for all assets.

Thanks for your attention.

Yours sincerely,

"Tang Chi Ming"



31/03/2006 18:50

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Tang Chi Ming 鄧志明 (署名) 啟

"Tang Ching Wan" 24/03/2006 15:03

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tang Ching Wan

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong

Dear Sir,

20 th MARCH

Stage II Consultation on the Future Development of the Electricity Market in Hong Kong

As a shareholder of the Hongkong Electric Holdings Ltd., I would like to express my views on the following 5 key proposals outlined in the Consultation Paper.

1. The Regulatory Period Should Remain 15 Years

The proposed 10+5 year regulatory period is actually for 10 years. It is too short for huge and lumpy investments in 30-35 year service life assets to recover costs and to earn reasonable return.

2. The Permitted Rate of Return (ROR) Should be Sufficient to Incentivize Investment

The proposed 7-11% ROR is far too low and not commensurate with risks of the power industry. It cannot attract huge and long-term investments required.

3. The Proposed Asset Classification Should be Discarded

The proposed 4-tiered ROR arrangement for different asset classes is counter-productive in solving the air quality problem. Besides, it unnecessarily complicates the return issue, and increases bureaucracy and administration costs.

4. Emission Penalty Should be Fair and Reasonable

The proposed emission penalty mechanism which links return with emission target is a double penalty. It is unfair and unreasonable.

5. The Existing Tariff Adjustment Mechanism Should be Maintained

The proposed requirement of Government approval for annual tariff reviews will subject our legitimate return under the agreement to undue political pressure.

As an investor of the Hong Kong's power industry, I am proud to have helped deliver safe and reliable electricity supply, together with exemplary environmental performance, at reasonable price in the past decades under the Scheme of Control Agreement. I trust that you will give due recognition to the proven effectiveness of the Agreement when mapping out the way forward for the electricity market. I also hope that my views will be considered and reflected in the ongoing consultation exercise.

Yours faithfully,

TANG CHUNG TUNG

Hong Kong Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Sirs,

RE: <u>CONSULTATION PAPER ON FUTURE DEVELOPMENT OF</u> THE ELECTRICITY MARKET IN HONG KONG

I would like to express my views in respect of the above issue:

Actually the possible reduction in electricity tariff may be a good news to Hong Kong citizens. The government, however, can guarantee such a reduction will be implemented after introducing the new supplier into Hong Kong? Can it also guarantee the qualities of service can be maintained? Nobody knows. Anyway, I am satisfied with the current electricity services, and it is value-for-money if we do not consume energy in a lavish way.

Indeed, I believe the domestic electricity suppliers will continuously offer high-quality services to Hong Kong in the future.

Yours faithfully,

Tang Foon Sum



Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Mr. Ip,

Electricity Market Development in Hong Kong Stage II Consultation

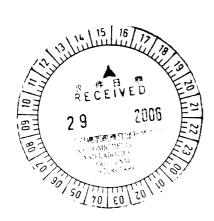
Electricity supply service in Hong Kong is one of the best in the world and I am happy with the current level of electricity supply reliability. For this consultation paper, I would like to make some comments.

I agree with the Government that reliability of electricity supply is very important and the prime objective of this consultation paper should focus on maintaining reliability. But, the proposed changes in the consultation paper such as shortening of the regulatory period and reduced permitted return will have significant impact on the reliability of electricity supply. It is my opinion that and tightened regulatory requirements and reduced financial incentive to the power companies might lead to insufficient investment in electricity infrastructure, and might affect supply reliability.

I suggest the Government to evaluate the proposals in the consultation paper with caution, so that Hong Kong will continue to have certain and reliable electricity supply.

Yours sincerely,

Tang Kam Ming



香港中環下亞厘畢道 中區政府合署中及東座二樓 經濟發展及勞工局

傳真: 2868 4679

就政府發表的「香港電力市場未來的發展第二階段諮詢文件」,本人有以下意見。

- (一) 回報率 7-11%偏低,未能鼓勵電力公司提高服務水平及維持可 靠和穩定的電力供應。
- (二) 建議協議年期十年太短,未能顧及爲電力公司提供穩定和可預計的投資環境。

HE TANG KAM WING

三月三日



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tang Kin Tung

"Tang Kuen Kuen" 22/03/2006 12:24

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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祝好

Tang Kuen Kuen

"tan

"tang lai ming"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

27/03/2006 19:22

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

_____(署名) 啟

"Tang Lap Yan"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

15/03/2006 22:17

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
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- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
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- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

		-	
 (署名)	啟		

"tang on ki"
19/03/2006 17:31

To: electricitycommentstage2@edlb.gov.hk cc:
Subject: 我要清新空氣
Urgent Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tang on ki



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tang Pik Kwan

"Tang Pik Wai"



24/03/2006 10:59

To: electricitycommentstage2@edlb.gov.hk

CC

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

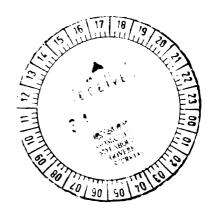
Yours sincerely,

Tang Pik Wai

30 March 2006

Economic Development and Labour Bureau 2/F., Central Government Offices, Lower Albert Road, Central

Dear Mr Ip,



Having learnt about the 2^{nd} Stage Consultation on the future electricity market development, I would like to offer my views on the proposals in the consultation paper.

The proposed lower rate of return for the 2 power companies and the shorter 10-year regulatory framework cannot help sustain the future development of Hong Kong after 2008. This is because the reliable electricity supply is vital to the economy and livelihood of Hong Kong, the terms and conditions of the post-2008 regulatory framework should therefore be attractive enough to ensure that the required capital will still be committed to the power supply infrastructure.

I hope the Government can work out a rate of return that can attract sufficient and timely investment in power supply infrastructure. Only by so doing, we can have reliable electricity supply in the future.

Yours sincerely,

Tang Shau Ngan

Lang Shan Njan

Economic Development and Labour Bureau

Government of the HKSAR

Dear Sir / Madam,

Stage II Consultation of Further Development of the Electricity Market in Hong Kong

With reference to the captioned subject, I would like to express my views as following:

- 1. The recommended scheme is ten years with an option for a five year extension after a review before expiry. This proposal will increase the risk of investment and create uncertainty. The five-year extension will probably become tools of punishment rather than incentive. It may result in short term investment and finally affect the reliability of electricity supply. Therefore, it is considered that the current scheme of control (15 years) is more reasonable.
- 2. The suggestion of emission penalty is inappropriate. It contradicts to "User Pays" principle. If the "User Pays" system is adopted, it can enhance energy saving among the citizen and beneficial to environmental protection. Moreover, the target of emission should be set up carefully and realistic, otherwise it will become an excuse for reduction Power Company profit.
- 3. The proposal of return shall be determined after the regulatory framework is defined. At that moment, the rate of return can be drawn based on more realistic figures.
- 4. It is believed that asset classification will only complicate the regulatory structure, causing unnecessary disagreement and increasing administrative cost. It is noted that the returns on emission reduction facilities is the lowest return. It contradicts the Government policy on air quality improvement.

Yours sincerely,

SK Tang Tang Shiu Kau To: electricitycommentstage2@edlb.gov.hk cc:

Subject: Stage II Consultation Paper

Urgent Receipt

Economic Development and Labour Bureau

Dear Sirs,

After reading the papers on this subject, may I express my views as follows:-

In my opinion, being a famous financial centre in Asia, we need safe, sufficient and reliable electricity to support Hong Kong's economic growth. So I hope your decision can encourage the investors to invest. I do not want to see that because of the absence of sufficient incentive to invest, Hong Kong will have to suffer from power blackouts, giving a tremendous cost to society and the economy. By reducing the ROR to a lower level, I am afraid it is not a good indicator to the power supplier.

To open the market in power supply is not suitable for Hong Kong. It just puts Hong Kong on a high risk. I do not want to pay a lower tariff, but in return I have to suffer f! rom uncertainty.

I enjoy the existing good quality living standard and conditions in Hong Kong, it is all we can afford. Why we have to change and put us in uncertainty? I am afraid if we open the market, we might face the same problems as in UK.

Thank you for your consideration.

Yours sincerely,

TANG SIN YEE

Economic Development & Labour Bureau 2/F., Central Government Offices Main & East Wings,
Lower Albert Road, Central Hong Kong

Tang Wai Shing

My Comments on Stage II Consultation

Dear Sir,

I refer to your Stage II proposals for the electricity market after 2008. In general most proposals are quite good, but the time period is too short as it gives investors a lot of uncertainties 10 years later. I think investors need stable regulation rather than unknown regulation.

I also worry about your proposal to open the market after 2018, with the hope that Hong Kong can be supplied by the Mainland. Such proposals have two weaknesses, viz., (1) your bureau cannot control the Mainland on quality and reliability of supply, and (2) power companies will not invest in the next 10 years as they don't know whether their investment can earn a return or not 10 years later.

Yours faithfully,

Mary Dai Sky

"Tang Wai Sin" 29/03/2006 14:09

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tang Wai Sin

"Tang Wing Lam" 31/03/2006 11:15

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tang Wing Lam

"TANG Yiu Keung"

Ç.

cc: Subject: 我要清新空氣

19/03/2006 14:27

Urgent Return Receipt

To: electricitycommentstage2@edlb.gov.hk

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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祝好

TANG Yiu Keung

"Tang Yiu Wing"

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

Urgent Return Receipt

致經濟發展與勞工局:

20/03/2006 12:34

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tang Yiu Wing



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tang Yuen Yee

"tango yip" 28/03/2006 10:37

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

tango	yip	(署名)	啟
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"TANGSHUKKUEN"



31/03/2006 11:15

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

TANGSHUKKUEN

"Tania Brocker" 24/03/2006 21:24

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Tania	Brocker
51911.		DI OCKCI

"tania ellery"



28/03/2006 08:57

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

tania ellery

"Tania Gutteridge"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 20:12

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: _	Tania	Gutteridge
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"Tania Shao"



27/03/2006 20:41

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

"Tania Thorp"

23/03/2006 22:29

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tania	Thorp
51911		111011

"Tania Willis"



To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tania	Willis
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"tansy tom" 19/03/2006 23:42

To: electricitycommentstage2@edlb.gov.hk cc:
Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

tansy tom

"Tanya Brinsden"



27/03/2006 12:23

To: electricitycommentstage2@edlb.gov.hk

CC

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tanya Brinsden

"Tanya Dillon"



30/03/2006 14:25

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tanya Dillon

Tanya Dillon

"Tanya Hart"



To:	<electricitycommentstage2@edlb.gov.hl< p=""></electricitycommentstage2@edlb.gov.hl<>	<:

CC:

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

I have been working in Hong Kong for four years (I teach in a local school) and I have married and bought an apartment here. I am also pregnant. I want Hong Kong to be a place where I am confident to bring up a child. There are so many fabulous things about Hong Kong, I don't want the concern of poisonous air to drive me away from a fabulous city. From the point of few of a resident, this is clearly the most urgent issue for our city. It is also an issue that can be resolved.

I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies??licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tanya E. Hart

"Tanya Smith" 24/03/2006 18:08

Го:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>	
CC:		

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Dieati	.1 01	Clean	aii.				
Sign:			_				

"Tanya Toberman"



25/03/2006 08:50

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
hı	reath of cl	lean air	٠.											

breath	of	clean	air.	
Sign:			_	

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tapio Riihim-ki

Tapio Riihim-ki

"Tara Abraham"

29/03/2006 18:21

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back blue skies and clean air. $\,$

Signed, Tara Abraham

"Tara Bennett"



24/03/2006 17:14

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breati	1 01	Clean	air.				
Sign:			_				

"Tara Chellaram" 24/03/2006 20:01

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breati	1 01	Clean	air.				
Sign:			_				

"Tara Delaney" 27/03/2006 17:37

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: _Tara Delaney____

"tara lee" 31/03/2006 14:03

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

tara lee

"Tara terlich" 25/03/2006 09:31

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Dicacii	OI	CICan	air.		
Sign: _		Tara	Terlich		

"tariotang"



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

19/03/2006 21:05

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

tariotang

"Tarun Kataria"



24/03/2006 17:56

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

If we don't act HK runs the risk of fading away as a financial center. The ability of HK to attract quality professionals is diminishing quickly. Sign: Tarun Kataria

"Taryn Ebert"

24/03/2006 13:33

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Taryn Ebert

"Tash" 23/03/2006 20:41

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tash

"Tasha Christiaanse"



26/03/2006 15:47

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hı	reath of cl	lean air	^											

DICACI	· OI	CICan	all.				
Sign:			-				

"tasha lalvani" 30/03/2006 21:59

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign: _		tasha	lalvani		



To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tat



 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong resident, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Taura Edgar

Taura Edgar

Secretary of Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Mr. Ip,

<u>Future Development of the Electricity Market in Hong Kong</u> <u>Stage II Consultation</u>

I am glad that in the new regulatory regime, the Government will put her efforts of improving the air quality in Hong Kong.

In the Paper, it is proposed to use the arrangement of different rates of return for different types of assets. From my point of view, both the application of RE and the installation of emission reduction facilities could improve the air quality in Hong Kong. In addition, both the generation facilities and the transmission & distribution facilities are vital for a reliable power supply. It seems that there is no ground of assigning the different rates of return to different assets. Therefore, I request the government to consider this proposal with great caution.

Yours faithfully,

Tay, Wing Teng





To:	<electricitycommentstage2@edlb.gov.hk< th=""><th>C</th></electricitycommentstage2@edlb.gov.hk<>	C

CC:

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a

Dieaci	ı Oı	CICan	air.				
Sign:			_				

"Team Altors Consultants Ltd"

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong 28/03/2006 23:19 ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

"ted chan"



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

17/03/2006 14:19

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Ted Chan

ted chan

"Ted Chan" 24/03/2006 20:53

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Ted Chan

"ted pulling" 24/03/2006 09:40

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

ted pulling

Ted Sin 03/03/2006 11:32

lo:	electricitycommentstage2@edlb.gov.hk
CC:	
Subject:	Future Development of the Electricity Market in Hong Kong
-	☐ Urgent ☐ Return Receipt

Dear Sir,

I have the following comments about the future development of the electricity market in Hong Kong.

- 1. In the long run, I support to have a open market for electricity supply because it enables healthy competition among the utilities and ensures resources will not be wasted in just blindly investing in capital assets to increase the profits according to the SoC.
- 2. However, I agree the existing utilities' argument that electricity supply is a big investment and too short of the SoC agreement would induce significant risks to the investors and hinder investment desire.
- 3. I suppose the two electric companies should merge their power grid ASAP to improve competition among the two companies and the tariff will be lowered.
- 4. If the government want to lower the guaranteed profit, i think it is bett! er to have no agreement at all.

Ted Sin



To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

TED

"Ted" 30/03/2006 18:19

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

DICACII	or orean	all.			
Sign:	Ted				

"Teddy Law" 24/03/2006 09:48

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Teddy Law

"Teddy Leung" 26/03/2006 16:17

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACII	OI	CICAII (air.		
Sign:		Teddy	Leung		

Teenie Yip

05/03/2006 22:11

To: electricitycommentstage2@edlb.gov.hk cc:
Subject: Return of Electricity
Urgent Return Receipt



2006年3月6日 香港中環 中區政府合署中及東座二樓 經濟發展及勞工局

局長先生:

電力市場未來發展第二階段諮

人人都希望減電費,但要負上甚麼代價是沒有人預計得到,我相信一般市民都 歡迎無條件的減電費,但卻沒有人願意接受停電甚至缺電的情況出現!我深切 希望政府在准許回報率的問題上,小心處理,確定回報率對兩電公平合理,而 非為討好市民意一意孤行!

"Tegan Smyth" 29/03/2006 06:28

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	1 01	crean	air.				
Sign:			_				

Cheong Shin Keong 鄭善強 General Manager Broadcasting 總經理-電視廣播業務

By email: competition@edlb.gov.hk and by post

6 February 2007

Economic Development Branch (Division A) Economic Development and Labour Bureau 2/F., Main Wing, Central Government Office Lower Albert Road Central Hong Kong

Dear Sirs,

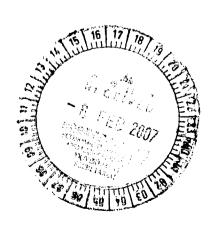
Re: Promoting Competition - Maintaining our Economic Drive

We enclose our response to the above public discussion document.

Yours faithfully,

S K Cheong

SKC/TL/ps



Response by Television Broadcasts Limited on "Promoting Competition – Maintaining our Economic Drive"

January 2007

Television Broadcasts Limited welcomes the Government's initiative to consult the community on the appropriate way forward for Hong Kong's competition policy and related issues.

We would like to express our comments and views on the twenty key questions identified in the consultation paper:

- 1. We support Hong Kong to develop a new competition law that is appropriate for Hong Kong. We agree that to maintain Hong Kong's competitiveness in relation to other developed countries, and having regard to the fact that the sector specific competition legislation has been introduced for a number of years, it is time that Hong Kong should catch up with other competitive trade nations. Without legislative support, the role of COMPAG is very limited in investigating any anti-competitive conduct or in imposing any sanction. The concerns raised by SMEs are not faced by other nations where there are competition laws. Further any unfounded complaints could be rejected by the competition authority in the first instance.
- 2. We believe if competition law were to be introduced in Hong Kong, it should apply to all sectors of the economy. There is no evidence to show that certain sector(s) are likely to be more vulnerable to anti-competitive behaviour than others. It would be difficult to justify which sector should be regulated. The benefits of having a general competition law applying to all sectors outweigh the benefits of a sector specific approach. Introducing a sector specific approach also cannot achieve the objective to bring Hong Kong up to international standards in terms of providing a transparent and competitive environment for business.
- 3. We agree with the CPRC's recommendation that the Government should focus on the seven specific types of anti- competitive conduct at the initial stage of introduction of competition law. This will have the benefit of letting the community and the relevant authority to build up understanding and experience in this new area of law. Further, considering Hong Kong's small population in a compact geographical area as compared with other developed countries, the whole set of competition rules as implemented in such countries may not be appropriate in the Hong Kong context. In any case, once the new competition law is in place, it would not be difficult to expand and amend the law to address any other area of concern in future should the case be called for after consultation with the community.
- 4. We support the seven types of anti-competitive conduct identified by CPRC to form the basis for the scope of the new competition law at the initial stage. We note that it is often difficult for any new law to be specific and detailed in definitions without compromising flexibility in any dynamic and changing environment. Having regard to the approach most commonly taken by other major jurisdictions and the current

approach adopted by the Telecommunications Ordinance and the Broadcasting Ordinance, we take the view that the law should provide for general prohibition against anti-competitive conduct and to supplement this with more detailed guidelines similar to those issued by the Telecommunications and Broadcasting Authorities.

- 5. Please refer to our comments in paragraph 4 above.
- 6. We submit that the legislation should restrain anti- competitive practices which have the "purpose" or "effect" of preventing, restricting or distorting competition and not the practices themselves per se. To regard a conduct on its own to be anti-competitive could interfere with acceptable business practices and may not be conducive to Hong Kong's free-market and may even prevent conduct which has the effect of pro-competition rather than anti-competition in certain circumstances. The whole purpose of introducing competition law is to prevent practices that could impair economic efficiency or free trade. We believe the "purpose" and "effect" of preventing, restricting or distorting competition are essential elements for determining whether a conduct is anti-competitive.
- 7. It is often necessary in any legislation to provide for exclusions or exemptions in special circumstances. Similarly, the competition law should provide for exclusions and exemptions in the number of ways as described in paragraph 81 of the consultation paper. In formulating what exemptions should apply, we generally support to follow the model in the United Kingdom. Other than providing specific exemptions in legislation, by allowing the competition authority to grant exemption and an undertaking to seek exemption on a case-by-case basis would provide more flexibility without going through the legislative process. However, any exemptions granted should be guided by established and clear principles.
- 8. We believe the first option a single authority with power to investigate and adjudicate is appropriate in light of the small market in Hong Kong. This can avoid the requirement to allocate more public resources for setting up a separate specialist tribunal or place addition workload on the Judiciary.
- We support the setting up of a "two-tier" structure for the regulatory body to ensure there is an effective check and balance on the exercise of the power of the authority. With respect to appeal with regard to decisions made by the authority, we strongly advocate for a dedicated appeal board which can engage experienced personnel and accumulate expertise in the competition field in the long run.
- 10. We support the view that only the regulatory authority should be given the power to conduct formal investigations into possible anti-competitive conduct with power to initiate a formal investigation as well. This is in line with international practices and can prevent abuse of the law and process.
- 11. For the competition law to be effective, the regulatory authority must be vested with necessary power to obtain relevant information and documents and conduct searches where justified. We support the CPRC's recommendation which is in line with the powers vested in the Telecommunication and Broadcasting Authorities.

- 12. Failure to cooperate with formal investigations by the regulatory authority should attract criminal liability similar to those provided for in the existing telecommunication and broadcasting legislation.
- 13. We support that any information provided to the regulatory authority should be afforded confidentiality in principle to protect the confidential information of both the complainants and the subject of complaints. The outlines set out in paragraph 116 of the consultation paper on how the matter is addressed under Singaporean law are useful as a reference. We would like to add that where the authority is authorized to disclose confidential information under specified circumstances, the affected party should be informed and given the opportunity to make representations to the authority before a final decision is made by the authority as to whether or not to disclose certain confidential information.
- 14. We agree that the current sector specific regimes in broadcasting and telecommunications should be retained as such regimes have already been operating for a number of years with accumulated knowledge of the concerned industries. To avoid duplication of efforts and overlapping of responsibilities, the law should clearly delineate the authorities and powers of the new regulators and the existing sector specific regulators. Any guidelines and procedural rules issued by the two authorities should be consistent.
- 15. We take that view that sufficiently high level of penalties with deterrent effect should be in place. The level of penalties can be similar to that provided under the Broadcasting Ordinance with power for the authority to apply to court for imposition of heavier fines. There should be no imprisonment for individuals involved in anti-competitive conduct but disqualification from holding a directorship or managerial function of any company for a period of time would help to strengthen the deterrent effect.
- 16. To encourage informants to come forward and facilitate the investigative process, we support a leniency programme that the regulator is allowed to exercise under guided principles.
- 17. We agree that the regulator should be given authority to issue "cease and desist" orders for quick and effective enforcement of the law.
- 18. The regulator should also be given authority to reach a binding settlement with the party under investigation. However we believe such authority should only be limited to first time offender of a new case and not repeated anti-competitive conduct.
- 19. The new competition law should allow parties who are affected to seek civil remedies (including damages and other appropriate remedy) from courts within a period of time. This would provide an additional deterrent effect.
- 20. The concerns of SMEs that they may face an onerous legal burden on the introduction of the new competition law and as a result of civil claims could be addressed by the power given to the competition regulatory authority to screen out

cases which are frivolous or vexatious at the early stage. Unless there is a finding of anti-competitive conduct, it is extremely unlikely that any civil claim based on anti-competitive conduct would be successful. We believe with the introduction of the new competition law, the SMEs stand to benefit more than bigger players in the market. By their market share, SMEs are unlikely to be the target of an anti-competitive investigation.

"tellie tong" 24/03/2006 10:38

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

必明行些政心的为自己市人	万盖人, 淌巾以	口角机工机。
(署名) 啟		

"Temora Maclean"



26/03/2006 13:47

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Temora Maclean

"tempo" 16/03/2006 14:17

To: electricitycommentstage2@edlb.gov.hk cc:
Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tempo

"Teo Ning Ning"



27/03/2006 10:17

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Teo	Ning	Ning
stan.	160	NTHA	NTHA

17 March 2006

Economic Development and Labour Bureau,
Government of the Hong Kong Special Administrative Region,
2/F Central Government Offices,
Main & East Wings,
Lower Albert Road, Central,
Hong Kong

Dear Sir/Madam.

Government's Consultation Paper on the Future Development of the Electricity Market in Hong Kong – Stage II Consultation

Upon the captioned topic, I would like to express my views as the following:

To ensure the provision of reliable electricity supply, I agree with the continuation of the Scheme of Control regime in Hong Kong, as electricity companies have been long providing reliable electricity supply with satisfactory performance.

Moreover, to encourage on-going investments on improvements (especially for environmental improvements) to the electricity system, it is reasonable to calculate permitted return by using average net fixed asset. I disagree with the proposal on the reduction of the permit return as this would certainly discourage investments on continual improvements. This may eventually affect the reliability of electricity supply.

To be fair to investors and the public, I disagree with the proposal on the reduction of the duration of the Scheme of Control regime. Electricity industry inherent with long-term business nature where asset lives of the of the electricity system equipment are much longer than 10 years.

The unclear energy policy and inconsistent environmental regulations discourage the investment in environmental protection. The environmental improvement investments on coal fire units would be disincentivized by a lower proposed rate of return; this is contradicted with the original objective of emission reduction.

Yours faithfully,

Terence Chan

香港中環下亞厘畢道 中區政府合署中及東座二樓 經濟發展及勞工局

香港電力市場未來的發展 第二階段諮詢文件

敬啓者:

作爲一個香港市民,對於香港電力市場未來的發展的第二階段諮詢文件,本人 欲發表以下的意見:

- 1. 本人十分不同意針對過剩發電容量的全面罰則的建議,因爲若這個建議落實,將會打擊電力公司對電力基建的投資意欲,電力公司將不會再承諾有充足的電力供應,這樣會影響電力供應的穩定性,而可靠及安全的電力供應對香港的經濟發展是極爲重要的。
- 2. 本人不認為准許投資回報率與排放量上限目標掛鈎是一個可行的建議,因 為准許投資回報應該紙與風險和籌集資金的成本掛鈎,更不應該用能否達 到排放量上限目標來掛鈎,這是個對電力公司有欠公允的建議。
- 3. 本人不認為認詢文件提出雙方協議以十年為期,而在期滿時可予以續期五年是一個好的建議。在考慮電力行業的基本特質和電力公司所承擔的風險,本人認為應繼續沿用現在雙方協議以十五年為期的安排較為合適。
- 4. 本人認為下調兩間電力公司的投資回報率的建議如果得到落實,會使電力公司對電力基建的投資意欲下降。希望政府認真考慮投資回報率的釐定, 要照顧及吸引投資者。吸引投資者投資電力基建,使香港能夠繼續維持一個世界級的電力系統,穩定的電力供應對香港的經濟及社會至為重要。

希望政府有關部門謹慎考慮再作决定。

Terence Chan

Mar 13 06

"Terence Keyes"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

29/03/2006 16:31

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those which cannot achieve the caps should have their rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACII	. OI CICAII C			
Sign:	Terence	Keyes		

"Terence Lee"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 17:00

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Dreati	1 01	Clean	aii.					
Sign:								

"Terence Liang"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

29/03/2006 10:16

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
hı	reath of cl	lean air	٠.											

Dreati	1 01	Clean	air.				
Sign:			_				

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sir,

Stage II Consultation

I would like to express my views on the Stage II Consultation proposals.

In the Stage II Consultation paper, the permitted rate of return and the regulatory period are proposed to be reduced. It seems to me that the reduced 7-11% return and 10-year regulatory period cannot provide sufficient incentives to investors to invest huge and long-term capital in the power industry. Without adequate and sufficient investment in the electricity infrastructure, the electricity supply reliability will highly increase, and our daily life and the economy of Hong Kong will be seriously affected.

Yours faithfully,

Terence Wong

"Teresa Chan"



22/03/2006 12:24

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Teresa Chan

"Teresa Hernandez Matos"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 11:22

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	ć
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breath	of	clean	air.
Sign: _			_



"Teresa"

31/03/2006 21:48

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Future Development of the Electricity Market in Hong - Stage II

Consultation

☐ Urgent ☐ Return Receipt

Dear Sirs,

Please find below my comments on the Stage II Consultation Paper for your consideration:

- 1. The existing tariff is quite reasonable because the service is very good when compared with that in mainland China.
- 2. The permitted rate of return of 7-11% is too low for the large investment in electricity infrastructure.
- 3. The duration of the agreement of 15 years is too short because it takes a long time to build the facilities.
- 4. The additional emission panelty is not necessary because there is already a panelty under APCO.

Regards,

Teresa Ho

"Teresa lp" 24/03/2006 10:52

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Teresa Ip

"Teresa Ko"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

31/03/2006 09:45

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Teresa Ko

"Teresa Lam"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 09:15

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Dreati	1 01	Clean	air.				
Sign:			_				

"Teresa Leung"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 14:51

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:Teresa			

"Teresa Mo"



26/03/2006 11:47

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cc:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

"Teresa Ngo"

 $To: <\! electricity comment stage 2@edlb.gov.hk \!\!>$

CC:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

28/03/2006 10:01

致經濟發展及勞工局,

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

|--|

香港中環下亞厘畢道 中區政府合署中及東座 2 樓 經濟發展及勞工局

葉局長 閣下:

電力市場第二階段諮詢文件

本人對貴局上述諮詢文件欲作下列兩點回應。

建議的10年規管協議年期

電力基建涉及巨額投資及回報週期長,加上電力公司需承擔長期合約的風險,所以需要有較長的協議年期,以確保電力公司繼續在電力行業投資。因此本人希望政府考慮維持現狀,將協議年期保持在現時的15年。

准許回報率 7-11%

諮詢文件建議,可能按不同資產類別提供 7-11% 的回報率。本人認 爲建議的准許回報率訂得過低,很難吸引電力公司繼續長期在電力 行業投資。這建議會令香港的供電可靠性降低,並不可取。



Teresa Pang 二零零六年三月二十九日

"Teresa Tang"



25/03/2006 11:27

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Teresa	
DIAII.	TETEDO	

"Teresa"

27/03/2006 15:41

To: <electricitycommentstage2@edlb.gov.hk>

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Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Torogo	
Sign.	Teresa	

"Teresa Chiu" 31/03/2006 14:49

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Teresa

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

<u>VIEW ON FUTURE DEVELOPMENT ON ELECTRICITY MARKET IN</u> <u>HONG KONG (STAGE II CONSULTATION)</u>

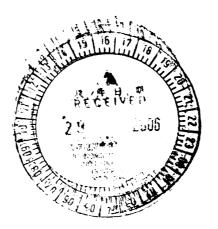
After having skimmed through this paper, I have a couple of comments or queries listed as follows: -

- In regard to the permitted rate of return, the new proposed rate 7 11 % seems to be a bit low. If companies borrowing money from banks for investing in this power business have a low rate of return, which means it is not much more than the borrowing rate, it is quite sceptical about whether companies will still have sufficient incentives to make further investment for improvement in this power industry in the future. As a result, the objective of having reliable electricity supply may not be able to be maintained in the long run.
- In view of the application of different rates of return to different types of assets in the new economic regime, it may not be so easy to classify the assets into (a) RE infrastructure, (b) Generation, Transmission & Distribution Assets, or (c) Emission Reduction Facilities. If so, the administration cost will then be increased since extra effort in classifying the assets and constant monitoring of correct classification have to be made within the power companies. Also, the Government may not be able to get away with this if the proposal is launched because they still have to spend extra effort to get involved in constant monitoring the correct classification of assets of the power companies. In this respect, the Government seems to become to have a bit more intervention in the investors. This situation may then affect the free-economy image of Hong Kong.
- With respect to duration of SCA, the proposed period of 10 years may pose a higher risk on investors. Since this power industry is kind of capital intensive,

investors need to have a long-term strategies for their investment before making profit. If the duration of SCA is being cut short, the power companies may switch to a shorter term of strategies for improving their own power systems. In the end, the less reliable, less safe, less efficient electricity supply may arise in the future. This is not what we want to see.

Finally, the Government should take thorough consideration with respect to technical, economical, environmental, financial, and hopefully, not political issues when making changes in the existing SCA.

TERRENCE CHAN



terrenz mak

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

31/03/2006 20:18

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for ${\tt Hong}$ Kong.

terrenz mak

"Terry Mitchell" 24/03/2006 10:08

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign: _	те	rry	

"Terry Cheung" 24/03/2006 09:17

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

_____(署名) 故

"Terry Chow"



29/03/2006 13:31

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sign:			_				

"Terry Cyr" 27/03/2006 11:24

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Terry Cyr

"Terry Dunne"

30/03/2006 11:14

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

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As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Terry Dunne

"Terry Floyd"

24/03/2006 21:10

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Dreati	1 01	Clean	air.				
Sign:			_				



Terry Fung

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: 電力市場未來發展--第二階段諮詢
Urgent Return Receipt

30/03/2006 10:30

為了減少環境污染,香港政府應該支持及鼓勵電力公司使用天然氣作為發電燃料,這樣才可令我們下一代發展更健康!

"Terry T.P. Lam"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Stage II Consultation on the Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 23:17 Please respond to "Terry T.P. Lam"

To : electricitycommentstage2@edlb.gov.hk

After reviewing the Stage II Consultation on the Future Development of the Electricity Market in Hong Kong, I have the following comments:

Based on statistics compiled by the SAR Government, Hong Kong people spend about 1.7% of their household income on electricity but 30% on housing and 9% on transportation. As you can see, spending on electricity is very low comparing with other household expenditures.

I feel that the existing Scheme of Control Agreement has contributed to the provision of reliable, adequate and safe supply of electricity at a reasonable low cost to general public. As a customer of CLP, in view of their supply reliability, I feel that their charge is acceptable.

In your Consultation Paper, one of the proposal is to reduce the rate of return that electricity supplier can earn. I feel that the your proposed rate of return in the range of 7% to 11% is way too low. (I recently set up a term deposit giving me a 4.2% return...doing nothing.) If the rate of return is not attractive enough, I am sure investors will invest something else with higher return. With insufficient investment, the next thing we are going to see is unreliable supply. I am sure that no one in Hong Kong wants to experience a blackout like the one in New York.

I consider that the existing SCA should be kept in its current form to the greatest extent possible in order to maintain a reliable electricity supply.

Terry Lam

"Terry Pun"

To: <electricitycommentstage2@edlb.gov.hk>

cc: Subject: 網上行動回應《香港電力市場未來的發展》

31/03/2006 10:25

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

_____(署名) 啟

"Terry Scott"



20/03/2006 19:28

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Terry Scott

"Terry Tysinger" 30/03/2006 09:33

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Terry	Tysinger	

"Tersina Shieh" 15/03/2006 23:08

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tersina Shieh

"Tess Lyons" 24/03/2006 23:05

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a

Dreath	OL	Clean	air.					
Sign: _			_					

"Tess Walbeck"



29/03/2006 16:03

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tess Walbeck

"Tessa Codron" 27/03/2006 09:49

To: <electricitycommentstage2@edlb.gov.hk>
cc:
biect: Response to Consultation Paper on Future Development

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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Sign:			_				



To: electricitycommentstage2@edlb.gov.hk

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

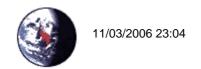
To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Teva Rothe



cc:

Subject: Some Comments on Stage II Consultation

Urgent Return Receipt

I have following comments on stage II consultation of future development of ${\tt HK}$ electricity market.

- 1. Investment in building generating plant and setting up electricity supply network is very large. Such scale of investment is not identical to other businesses and it normally takes many years before the investment can break-even. The proposal of economic regulation under bilateral agreement for just 10 years is too short for the such scale of investment. With this uncertainty in future, the power companies will not have adequate incentive to invest for the generator and network. I am afraid this will have adverse impact to our adequcy in generator capacity as well as electricity supply reliability because this is substantially contributed by a well planned and built supply network.
- 2. The proposal of adopting different rates of return on different types of asset will encourage the power companies to invest on 'higer' rates or return assets. This will disturb balance of investment by the power companies to various types of assets which is necessary for us to have a stable and reliable network. Hence, I think we should adopt a unified rates of return in the agreement with the power companies.
- 3. The paper should provide details on how to determine the rates of return. No explanation can be found in the consultation paper how to determine the rates of 7% to 11%. Taking into account on the cost of investment and risks in the business environment in future, a new rate of return of less than existing figures will not encourage the power companies to continue to invest and maintain their service standard to people in Hong Kong.
- 4. All tariff adjustments should not impose any further restriction by the government's approval after there is already an agreement signed between the government and the power companies. Imposing any restriction to business operation will deter worldwide investor to do business here.
- 5. The paper propose the permitted rate of return to be linked up with the emmission caps by the power companies is not fair to them. Emmission caps level is not yet decided at this consultation stage. Investment on emmission reduction facilities, according to the consultation paper, will have the least rate of return. On the other hand, failing to meet the emmission caps will further result in reduction in permitted rate of return. This is imposing 'double penalty' to the investor whereas the emmission is related to the electricity demand by the consumers and beyond the power companies control.

TF Chan

"Thai Khaou" 27/03/2006 09:25

To: <electricitycommentstage2@edlb.gov.hk>

D:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Thai Khaou

chau tham

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: comments on future of electricity market

Urgent Return Receipt

27/03/2006 00:54

In my opinion, reliability of electricity is the number one consideration. I have lived for some time in U.S. before. I know the differences very well. In Florida, for instance, we had supply outages almost once evey 1 or 2 weeks in the summer. And it causes so much trouble, with no air-cond, things melted in the freezer, cannot get on the computer etc.

In Hong Kong, the reliability is so high that we are too much used to it and does not treasure it. But if one day, we have outages every 1 or 2 weeks then it is too late to regret.

Therefore, I do not object to electricity market reform but make sure we can keep the lights on. The best way is to implement gradually, e.g. lowering the rate of return is good enough. We should still leave room for the power companies to do business. By and large, investment in electricity generation and network is a very long term investment, ve! ry much unlike telecom industry.

In summary, I support to keep the current arrangements unchanged, except two things: reduce the rate of return, and add in some concrete measures of performance with positve and negative incentive schemes.

Regards
Tham Chau Shung

"Thanh Do"

24/03/2006 18:28

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	ć
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Dicacii	or cream arr.		
Sign: _	Thanh Do		

"Stella Lee" 28/03/2006 09:21

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: The American Women's association of Hong Kong_____





BY POST AND BY FAX (2868 4679)

31 March 2006

The Economic Development and Labour Bureau 2nd Floor, Central Government Offices Main & East Wings Lower Albert Road Central Hong Kong

Dear Sirs,

The Australian Chamber of Commerce in Hong Kong (AustCham) Views on the Consultation Paper on Future Development of the Electricity Market in Hong Kong: Stage II Consultation

Thank you for the opportunity to provide feedback on the Government's proposed arrangements for the post-2008 electricity market as outlined in the Stage II Consultation Paper.

AustCham fully supports the Government's stated objective of ensuring that the public can enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimise the environmental impact caused by the production and use of energy.

AustCham's comments on the Stage II Consultation Paper centre around the Government's proposed strategy to achieve greenhouse gas emission reduction, and specifically, to achieve the 1%-2% Renewable Energy (RE) target by 2012 to which the Government committed in its May 2005 First Sustainable Development Strategy. We believe that the key elements of this strategy are public education and financial incentives for the power companies to promote emission reduction.

AustCham supports this two-pronged approach and amplifies the need for:

- performance in emission reduction to be taken into account in determining the rate of return to which the power companies will be entitled under the new regulatory arrangements. The monetary amount of the penalties and incentives or bonuses should be appropriate and strictly enforced, to ensure that they will be effective tools for change; and
- public education programs to promote greater awareness about actions individuals and businesses can take to reduce greenhouse gas emissions, such as by reducing energy consumption and using energy efficient appliances.



We hope you will take our comments into consideration as you finalise the new regulatory arrangements.

This letter has the support of the AustCham's Sustainable Development Committee which has the objective of promoting a better understanding and awareness of sustainable development within AustCham and the broader community.

Yours faithfully,

Alan Johnston

Chairman
The Australian Chamber of Commerce in Hong Kong

cc: Deborah Biber, Chief Executive, AustCham Sandy Edge, Chairman, AustCham Sustainable Development Committee Adam Newgreen, AustCham Sustainable Development Committee



cc:

Subject: Electricity In	dustry's Future Development Consultation - Stage 2
☐ Urgent	Return Receipt

A ciopy of the response of the British Chamber of Commerce in Hong kong to the Hong Kong Government consultation of the "Future Development of the Electricity Industry Market in Hong Kong" is attached for your consideration.

Yours sincerely

Christopher Hammerbeck

"Where business gets done"

Christopher Hammerbeck CB Executive Director cjah@britcham.com BCC Hong Kong
1201 Emperor Group Centre, 288 Hennessy Road, Hong Kong

CP-ElecMarket-Fi

tel: [852]28242211 fax: (852) 28241333 mobile: [852]98610495

Powered by Plaxo Want a signature like this?





塍

7 March 2006



Economic Development & Labour Bureau 2/F Central Government Offices



Main & East Wings Lower Albert Road



Central
Hong Kong

Dear Sirs

I have pleasure in enclosing the response of the British Chamber of Commerce to the Hong Kong Government's consultation paper on the "Future Development of the Electricity Market in Hong Kong, Stage II Consultation". If there is any further information that you require we would be happy to respond to you either through correspondence or meetings in person.

Yours sincerely

Brigadier Christopher Hammerbeck CB

Executive Director

Cc: Christopher Page – Chairman Jo Wilson – Chair Business Policy Unit Andrew Bester – Acting Chairman Business Policy Unit

Quitor womanted.

British Chamber of Commerce in Hong Kong

Response to the Government's Consultation Paper on the – Future Development of the Electricity Market in Hong Kong, Stage II Consultation

Submitted to the Economic Development and Labour Bureau, March 31st, 2006

This paper has been submitted to the Economic Development and Labour Bureau in response to the Government's consultation paper of December 2005: *Future Development of the Electricity Market in Hong Kong*. It has been compiled by the Business Policy Unit of the British Chamber of Commerce in Hong Kong, the Chamber's think tank and advisory group on Government policy, and represents the views and concerns of the Chamber's members.

The British Chamber is one of Hong Kong's largest international business organisations. The Chamber comprises major multinational companies and institutions, as well as a substantial number of SMEs and represents a broad spectrum of British, Hong Kong, international and Chinese companies. Collectively, this membership makes a significant contribution to the Hong Kong economy and to employment, and constitutes a representative cross-section of business opinion in the SAR. Whilst the membership includes major stakeholders in the electricity market in Hong Kong, in drafting this response the Chamber has sought to include a broad spectrum of views and care has been taken not to simply reflect the position of a single company or group. Furthermore, as this is a Stage II consultation, the Chamber has limited its comments to the recommendations outlined in the paper, and has not referred to additional issues already covered in Stage I of the consultation.

1. Policy Objective

The Chamber supports the Government's policy objective for the future development of the electricity market. The high degree of reliability achieved in Hong Kong is viewed as a cornerstone of the city's strength as a regional financial centre. Given Hong Kong's continued poor air quality, the Chamber also fully endorses the Government's aim to minimise the environmental impact caused by power generation.

2. New Supply Sources

Whilst the Chamber views market competition as desirable, concern has been raised as to the effects of opening the electricity market to new supply sources. Hong Kong is a small market in which security and reliability of electricity supply are critical to

its continued success as an international centre for business. The Chamber would like to see a scheme of control for the electricity market that:

- i) creates a structure for 'best in class' delivery of electricity, whereby the existing 99.99% reliability rates are maintained
- ii) provides incentives to the electricity companies to enact world class standards on renewable energy and the use of 'clean' fuel
- iii) has appropriate safeguards to ensure that consumers continue to be protected and provided with electricity at reasonable cost

Due to its geographical location, should the electricity market be opened to new supply sources, these would necessarily derive from Mainland China, or more specifically Guangdong Province. Over the long term, Hong Kong is likely to become more fully integrated with Guangdong, and ultimately it is conceivable that a single market for the provision of power throughout the Greater Pearl River Delta region could be created. It is important, if such a market is to be opened, that a level playing field for all companies entering the market should be created. This needs to be achieved at the same time as guaranteeing reliability of supply, achieving targets for renewable energy and controlling the cost of electricity to the consumer.

The Chamber does not believe that the timing is right to open Hong Kong's electricity market to supply from the Mainland and does not believe that the introduction of new supply sources from the Mainland would assist in achieving the three key objectives outlined above. For this to be possible, significant research and monitoring would first be required. In order to ensure fair competition and to ensure that the policy objectives of the future scheme of control are met, companies from the Mainland would have to be able to prove themselves able to adhere to the same legal, technical and environmental standards imposed on the current Hong Kong providers. Supply from the Mainland also raises the questions of whether the same market access to the Mainland would be allowed to Hong Kong's electricity companies, and whether the Government should allow the entry of new players into the Hong Kong market that are supported heavily by subsidies given by Mainland authorities.

The idea of opening up of Hong Kong's electricity market to new supply sources creates a great deal of uncertainty and this uncertainty casts doubt over the reliability of electricity supply. A high-rise, energy-dependent place like Hong Kong would

cease to function in the event of prolonged power failure. Even short-term interruptions are unacceptable. The Chamber welcomes further research into alternative sources of power, but would like to see the Government first formulate a strict set of conditions that would carefully define criteria for allowing entry to Hong Kong by Mainland supply sources. These conditions for market access would form the basis for future discussion with Mainland authorities, and it is only on achievement of these criteria that the Government should consider allowing new supply sources to access the Hong Kong market. In setting these criteria, there should be no compromise on the Government's stated objectives with regard to reliability, safety, efficiency, price and environmental impact.

Measures outlined in the Government consultation paper to open grid access and increase interconnection both between the two existing power companies and with Guangdong should only be undertaken once doubts regarding the impact on the reliability of electricity supply can be sufficiently allayed. Given the investment and the time required to make such changes, a full cost/benefit analysis of such arrangements to cater to new supply sources should first be undertaken.

Proposed Regulatory Arrangements

The Chamber supports continued safety regulation of the electricity market. The Chamber also fully supports the application of world class environmental standards to the electricity generation industry in Hong Kong. With regard to this, the Chamber would also like to see the consumer taking some responsibility for the efficient use of power and the Government providing support through the development of public education programmes to promote energy efficiency and conservation. This encouragement should also be extended to the construction industry and apply to building standards. The aim of economic regulation should be to set an agenda that creates the desired behaviour by Hong Kong's electricity companies.

The Chamber supports the Government's use of a balance between regulation and incentives to ensure that policy objectives are met. There are concerns, however, that some regulations may lead to increased uncertainty for investors and, therefore, have the potential to adversely impact investment decisions. The Chamber feels that a 15 year term should be maintained, particularly if the Government's intention is to encourage long term resource allocation with targets for renewable energy.

The Chamber feels that the 'rate of return' should be a matter for negotiation between the Government and the electricity companies. The Chamber would like to stress, however, that in order to attract investment, this should be a fair rate for the industry and comparable with rates of return in other business sectors. Transparency on this issue and effective benchmarking against other jurisdictions and sectors should ensure a rate that is acceptable to investors and fair to consumers.

The Chamber agrees that in determining tariff levels the future scheme of control should include the costs of making available supply and the agreed return to the company. The Chamber is also in favour of the maintenance of the Fuel Clause Account and the Tariff Stabilisation Fund. However, whilst transparency of pricing and the continued provision of information to the public are important, the Chamber does not regard it as necessary or desirable for the Government to approve all tariff adjustments made by the electricity companies. The Chamber does not believe that increased bureaucracy and micro-management by Government in this way would go anyway to enhancing the efficient operation of the electricity market.

The Chamber supports the maintenance of the current institutional set up and does not feel that a separate regulatory authority is necessary at this stage. The Chamber would, however, support enhanced consumer protection through a Government operated mechanism to deal with customer concerns that have failed to be addressed by existing services provided by the electricity companies.

Finally, the Chamber would like to see the development of a comprehensive environmental policy that would provide focus for the future development of the electricity market in Hong Kong. This would encompass, for example, targets for renewable energy, educational measures, and incentives for investors, as well as incentives for power companies and consumers to save electricity, use energy-efficient devices and employ 'clean' energy. In this way, Government could greatly enhance energy efficiency and provide the leadership necessary to reach world-class standards for environmental protection related to the use of power in Hong Kong.

British Chamber of Commerce in Hong Kong

March 2006

"The Chan Family"



24/03/2006 16:04

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I	cordi	iall	y dema	and	the	SAR 9	govern	nent	to	bring	นธ	back	the	blue	sky	and	а
br	eath	of	clean	air	î. I	would	d like	my	chil	ldren	in	a bett	cer	cleane	er w	orld	

breath	of	clean	air.	I	would	like	my	children	in	а	better	cleaner	world.
Sign: _			_										



CIWEM HK

THE CHARTERED INSTITUTION OF WATER AND ENVIRONMENTAL MANAGEMENT HONG KONG

Ref.:

L0122

Date:

29th March 2006

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sirs,

Re: Re: Consultation Paper on Future Development of the Electricity Market in Hong Kong Stage II Consultation

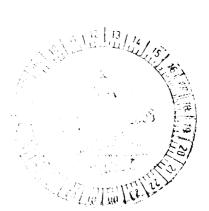
I have pleasure in submitting our response to the above.

Yours faithfully,

John Collier

Committee Member

Encl.



CIWEM HONG KONG

Response to Stage II Consultation on the Electricity Market Review

1. Background

The Stage I Consultation was carried out in January / April 2005 and CIWEM Hong Kong gave it's comments to Government.

The 3 month Stage II Consultation ends on 31st March 2006.

The Consultation document is 37 pages and can be viewed on the Economic Development Branch website (www.edlb.gov.hk). I have included Chapter 3 (Summary of Recommendations) for your reference.

2. CIWEM's Views

I list below my own views on the Consultation Paper using the headings in the Summary for ease of reference.

A. Policy Objective

CIWEM agrees with this overall broad based objective. However Government should be clear and transparent regarding the relative priorities of the competing requirements embodied in this objective i.e. environment / reliability / price.

B. New Supply Sources

(l) Supply from the Mainland

Priority should be given in ensuring that the Mainland Authorities have the necessary Legislation and the required enforcement ability to ensure compliance with agreed emission standards for all power plants exporting power from the Mainland to Hong Kong. These emission standards should be no less stringent than these imposed on Hong Kong power stations.

(III) Arrangements to Cater for New Supply Sources

(ii) Increased Interconnection

If there is a major saving to be made by sharing of reserve capacity then Government should take the lead by enacting legislation to force the two Power Companies to make this happen. The subject has been discussed for many years and it is obvious that if this is left to the two companies by way of a 'request' it will not achieve a satisfactory result.

C. <u>Proposed Regulatory Arrangements</u>

(III) Economic Regulation

(i) Regulatory Instrument

This is proposed to be 10 years. As stated in Para 2.37 long lead time are required for planning and the pay back periods are long for the electrical supply industry. In Para 2.29 it is stated that Government has asked the power companies to use natural gas as much as possible. For a major dedicated supply of LNG, new Terminals and specialized tankers would be required and the project time scale would be in the order of 25 years. It therefore follows that a 10 year agreement from the investment decision date would be quite inadequate.

(IV) Institutional Setup

It is proposed that Safety, Economic and Environmental Regulation will continue to be administered by three separate bodies. It is inevitable that there will be conflicting priorities in these three areas. Indeed during public meetings held during the Stage II Consultation period it has become obvious that there are differences of opinion between those responsible for economic issues and those tasked with setting environmental standards. These differences are likely to be fundamental and would be better resolved within a single Regulatory Authority for the Power Supply Industry.

"Jeannine Freeman"



28/03/2006 15:57

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: THE CHILDREN OF HONG KONG!	
----------------------------------	--



To "competition@edlb.gov.hk" <competition@edlb.gov.hk>

CC

09/02/2007 16:56

bcc
Subject Public Consultation on Promoting Competition in
Hong Kong

☐ Urgent ☐ Return receipt ☐ Sign ☐ Encrypt

Dear Sir/Madam,

In response to the public consultation on the possible introduction of a cross-sector competition law in Hong Kong, we would like to submit the attached power points on the results and analysis of a survey on the retailing industry in Hong Kong that we conducted recently. We also attach the survey questionnaire. Some of the survey results may provide information and insights pertaining to the marketing practices in the retailing industry in Hong Kong that may raise competition concerns. We hope the Government will find the attached useful. Thank you.

Yours faithfully,

Ho Suk-ching

Sin Yat-ming, Leo

Chairman and Professor

Director and Professor

Department of Marketing

MSc in Marketing

The Chinese University of Hong Kong

Department of Marketing

The Chinese University of Hong



香港中文大學市場學系



香港零售業營銷實務研究: 對香港推行公平競爭法的初探 (2007)

何淑貞教授

冼日明教授

香港中文大學市場學系

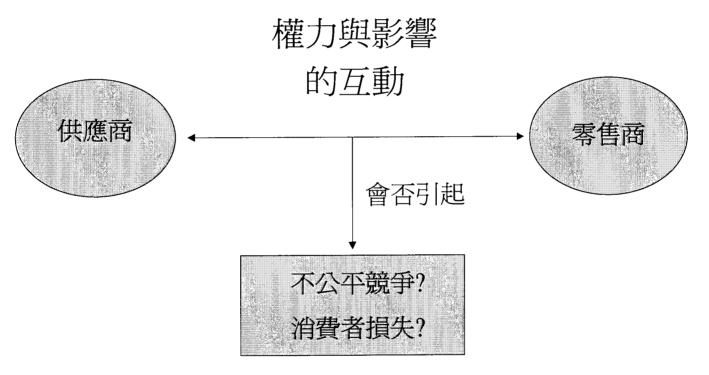
內容

- ? 研究目的
- ? 研究方法
- ? 研究撮要
- ? 表列研究結果
 - (一)被訪企業資料
 - (二)由零售商作主導的營銷實務分析 (問卷中第四至第七條問題)
 - (三)由供應商作主導的營銷實務分析 (問卷中第八條問題)

研究目的

- (一) 了解香港零售業的營銷實務,特別是供 應商與零售商的雙互關係
- (二) 探討香港零售業有否存有一些不公平的 營銷手法/行爲
- (三) 對香港推行公平競爭法提出初探及一些 建議

圖一: 研究模式



研究方法

- (一)研究對象:
 - 香港零售業供應商
 - 名單來自香港有關商會及其相關刊物

研究方法

- (二)調查工具:一份結構性問卷
- (三)調查方法:以郵寄問卷作不記名調查
 - 於二零零六十二月發出第一輪問卷
 - 兩星期後寄出跟進信件,邀請尚未填答問卷的 公司寄回問卷

研究方法

(四)被訪問企業數目:118間

- 調查名單原本共707間公司
- 其中76間未能投遞或公司已結業/轉業
- 回覆率: 18.7%(118/631),相對過去以問卷作為 調查方法的雙關研究,這是一個相當不俗和可 接受的回覆率



香港中文大學市場學系



研究撮要

香港零售業營銷實務研究: 對香港推行公平競爭法的初探 (2007)

- (一)本研究目的,原爲了解香港零售業的營 銷實務,特別是供應商與零售商的雙互 關係。
- (二) 問卷中列出的眾多營銷實務項目中,有若干是觸及競爭行為。對政府現時正就應否訂立跨行業的公平競爭法作諮詢,本研究觸及競爭行為的數據,或能為這次諮詢帶來一點參考及啓示作用。

- (三) 所以我們將這方面的數據分析結果,作出撮 要,提出我們的一些看法及建議供政府參考。
- (四) 表二至表五及表十八分別列出由零售商及供應商作主導的營銷實務項目,當中若干是涉及不公平競爭行為的,例如限制供應商/零售商對商品的定價,限制供應商向其他零售商供應商品/服務,限制零售商銷售其他供應商的商品,以及要求獨家代理,均有可能妨礙公平競爭的原則。

- (五) 從後列的研究結果圖表中(表二至表五及表十八),上述這些行為普遍存在於零售業的營銷實務中。
- (六) 從更深入的數據分析,顯示供應商的主要零售商若爲超級市場,比例上供應商受到的限制或面對的要求相對較高(表六至表九)。而超市亦不會用獎勵方法,令供應商從事某種超市希望見到的營銷實務。
- (七) 同樣地,如果供應商較依賴單類零售商作為他們的分銷渠道,比例上供應商受到的限制或面對的要求相對較高(表十至表十三)。雖然零售商會用獎勵方法,令供應商從事某種營銷實務,但畢竟屬極少數。

- (八) 若從供應商的營業額(表十四至表十七)來看, 發現較大規模的供應商(組一及組二)比規模較 細(組三)的同業,在比例上受到限制或面對的 要求相對較高。換言之,規模較大的供應商, 其較高的議價能力未必能發揮制衡零售商的功 用。雖然零售商會用獎勵方法,令較大規模的 供應商從事某種營銷實務,但畢竟亦屬極少 數。
- (九) 雖然這些有可能妨礙公平競爭的行為普遍存在 於香港零售業的營銷實務中,但是否表示企業 真的有進行反競爭的行為呢?由於香港現時 並沒有一條針對零售業或跨行業的競爭法,並 無定義界定何謂妨礙公平競爭的企業行為,所 以我們無法回答上述問題。

- (十) 綜觀世界各地,現時全球已有接近一百個國家/地區訂立了公平競爭法,如果香港缺乏相類似的法例,不能爲跨國企業提供一個和其他國家接近的競爭環境,對香港在吸引及留住這些企業的能力時,定有不良影響。
- (+-) 除此之外,國內於2006年公布的「零售商供應商公平交易管理辦法」便已有明文規管,防止企業濫用優勢地位妨礙市場公平交易行為。

- (十二) 為了創造一個公平的市場競爭環境,吸引更多外國投資及加強保障消費者的權益,我們建議香港特區政府
 - (1) 應考慮訂立跨行業的公平競爭法,對有關不 公平行為作出規範
 - (2) 設立法定機構接受投訴,並執行調查及懲 處
 - (3) 教育社會大眾了解和認識公平競爭對香港 經濟未來發展的重要性



香港中文大學市場學系



表列研究結果



香港中文大學市場學系 (1)



(一)被訪企業資料

表一: 被訪企業資料 (n=118)

主要供應商品種類	數目	<u>%</u>
食物/飲品	61	51.7
化妝/個人護理用品	29	24.6
醫療/保健商品	20	16.9
家居用品	19	16.1
糧油	15	12.7
海味	7	5.9
其他	12	10.2

表一: 被訪企業資料 (n=118)

商品主要供應給	數目	<u>%</u>
超級市場	79	66.9
藥房/個人護理零售商	32	27.2
美容/化妝品零售商	13	11.0
其他	39	33.1
拒絕回答	1	0.8

表一: 被訪企業資料 (n=118)

主要零售商佔供應商營業額	數目	<u>%</u>
30%或以下	24	20.3
31%-50%	24	20.3
51%-70%	34	28.8
71-90%	16	13.6
超過90%	20	16.9

表一: 被訪企業資料 (n=118)

公司聘用員工人數	數目	<u>%</u>
10人或以下	33	28.0
11-50人	59	50.0
51-100人	13	11.0
101-500人	10	8.5
501-1000人	1	0.8
超過1000人	1	0.8
拒絕回答	1	0.8

表一: 被訪企業資料 (n=118)

供應給香港零售市場每年營業額	數目	<u>%</u>
HK\$500,000或以下	8	6.8
HK\$500,001-1,000,000	7	5.9
HK\$1,000,001-5,000,000	16	13.6
HK\$5,000,001-10,000,000	16	13.6
HK\$10,000,001-50,000,000	28	23.7
HK\$50,000,001-100,000,000	14	11.9
超過HK\$100,000,000	24	20.3
拒絕回答	5	4.2

表一: 被訪企業資料 (n=118)

被訪者職位	數目	<u>%</u>
高級管理人員	61	51.7
中層管理人員	34	28.8
其他職員	20	16.9
拒絕回答	3	2.5



香港中文大學市場學系



(二)由零售商作主導的營銷實務分析 (n=118)

表二: 根據您公司在最近七年(2000-2006)的實際情況, 您公司的主要零售商有

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
強迫您分擔商品的促銷費	61.9	53.5
強迫您無條件作出銷售返利/退佣	46.6	59.0
強迫您接受一些他提供的指定服務	44.1	48.6

表二: 根據您公司在最近七年(2000-2006)的實際情況, 您公司的主要零售商有

	有(%)	佔全部交易次數 百分比(平均值)
限制您向其他零售商供應商品	38.1	41.3
在他未達到本來約定的銷售額下, 作出銷售返利/退佣的要求	36.4	47.4
規定您在供應商品予其他零售商時的價格	35.6	64.0

2 /23

表二: 根據您公司在最近七年(2000-2006)的實際情況, 您公司的主要零售商有

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
強迫您接受他成爲您商品的獨家經銷商	32.2	31.7
限制您向其他零售商提供銷售服務	26.3	38.1

表三:

根據您公司在最近七年(2000-2006)的實際情況,在 簽訂銷售合約時,您公司的主要零售商曾強迫您

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
承擔在任何情況下您所供應的商品損耗的責任	64.4	60.8
接受在任何情況下,他能隨時將您供應的商品下架或撤櫃	61.0	67.2

表四: 根據您公司在最近七年(2000-2006)的實際情況, 在簽訂銷售合約後,您公司的主要零售商曾

	有(%)	佔全部交易次數 百分比(平均值)
強迫您更改合約條款(例如價格、 包裝等)	35.6	34.7
拒絕接收您供應的商品	33.9	32.4

表五: 根據您公司在最近七年(2000-2006)的實際情況,

當您公司的主要零售商面對新的競爭對手時,他曾

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
強迫您的商品減價,以維持他本身 的利潤	55.1	51.7
強迫您分擔新的促銷費	47.5	47.1
強迫您增加銷售返利/退佣,以維 持他本身的利潤	43.2	53.3

表五: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
規定您在供應商品予其他零售商時的價格	33.9	58.5
限制您向其他零售商供應商品	32.2	48.2
限制您向其他零售商提供銷售服務	24.6	40.0
		2 /38

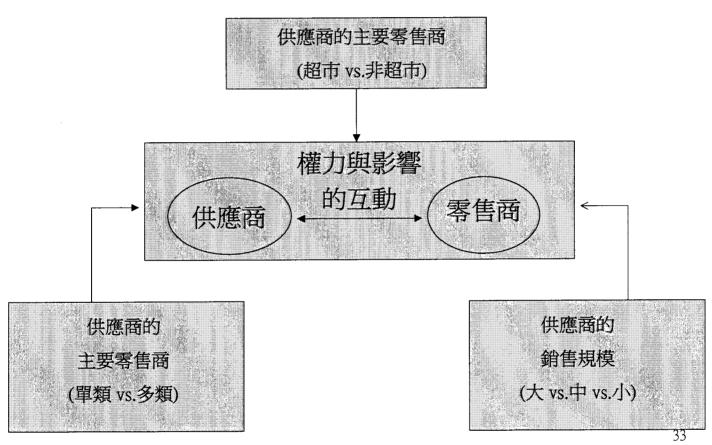
表五: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
強迫您接受他成爲您商品的獨家經 銷商	23.7	41.2
在得知您有供應商品予新的競爭者時,拒絕接收您供應給他的商品	21.2	37.7
利用一些獎勵方法(例如獎金)要求您不要供應商品給予新的競爭者	3.4	35.0 3 /3

分類深入分析

供應商若"曾經有"面對以上零售業營運的 營銷實務,則以下會將零售商/供應商作出 分類,再作分析。

圖二: 影響供應商與零售商 權力與互動的因素



? 根據供應商的主要零售商,被訪企業分為以下兩組:

組一:主要零售商爲超級市場

(n=79)

組二:主要零售商並非超級市場

(n=38)

表六: 根據您公司在最近七年(2000-2006)的實際情況, 您公司的主要零售商有

	超市 有(%)	非超市 有(%)	
限制您向其他零售商提供銷售服務 (n=31)	77.4	22.6	
強迫您無條件作出銷售返利/退佣 (n=55)	74.5	25.5	
		1 /	33

表六: 根據您公司在最近七年(2000-2006)的實際情況, 您公司的主要零售商有

	超市 有(%)	非超市 有(%)
限制您向其他零售商供應商品 (n=45	73.3	26.7
強迫您接受一些他提供的指定服務(n=52)	73.1	26.9
強迫您接受他成爲您商品的獨家經 銷商 (n=37)	73.0	27.0
		2 /38

表六: 根據您公司在最近七年(2000-2006)的實際情況, 您公司的主要零售商有

	超市	非超市
	有(%)	有(%)
在他未達到本來約定的銷售額下, 作出銷售返利/退佣的要求 (n=42)	71.4	28.6
強迫您分擔商品的促銷費 (n=73)	71.2	28.8
規定您在供應商品予其他零售商時 的價格 (n=42)	69.0	31.0 3 / ₃ 3

表七:

根據您公司在最近七年(2000-2006)的實際情況, 在簽訂銷售合約時,您公司的主要零售商曾強迫您

	超市 有(%)	<u>非超市</u> 有(%)
接受在任何情況下,他能隨時將您 供應的商品下架或撤櫃 (n=72)	70.8	29.2
承擔在任何情況下您所供應的商品 損耗的責任 (n=75)	68.0	32.0

表八:

根據您公司在最近七年(2000-2006)的實際情況, 在簽訂銷售合約後,您公司的主要零售商曾

	超市 有(%)	<u>非超市</u> 有(%)
拒絕接收您供應的商品 (n=39)	74.4	25.6
強迫您更改合約條款(例如價格、 包裝等)(n=42)	73.8	26.2

表九: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	超市 有(%)	<u>非超市</u> 有(%)
強迫您分擔新的促銷費 (n=56)	83.9	16.1
強迫您增加銷售返利/退佣,以維持他本身的利潤(n=51)	76.5	23.5
限制您向其他零售商提供銷售服務 (n=29)	75.9	24.1

表九: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾 主要零售商為

	超市 有(%)	非超市 有(%)	
強迫您的商品減價,以維持他本身 的利潤 (n=65)	69.2	30.8	
在得知您有供應商品予新的競爭者時,拒絕接收您供應給他的商品(n=25)	68.0	32.0	
強迫您接受他成爲您商品的獨家經 銷商 (n=28)	67.9	32.1	2 /43

表九: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾 主要零售商為

	超市 有(%)	非超市 有(%)
限制您向其他零售商供應商品 (n=3 7)	67.6	32.4
規定您在供應商品予其他零售商時 的價格 (n=40)	67.5	32.5
利用一些獎勵方法(例如獎金)要求您不要供應商品給予新的競爭者	0.0	100.0
(n=3)		3 /43

? 根據供應商的主要零售商,被訪企業分為以下兩組:

組一:主要零售商爲單類零售商,

例如

超級市場(包括連鎖及獨立超級市場)(n=94)

組二:主要零售商爲多類零售商,

例如

超級市場和藥房/個人護理零售商 (n=23)

表十: 根據您公司在最近七年(2000-2006)的實際情況,您 公司的主要零售商有

	主要零售商爲	
	<u>單類零售商(</u> <u>%)</u>	<u>多類零售商(</u> <u>%)</u>
在他未達到本來約定的銷售額下, 作出銷售返利/退佣的要求 (n=42)	92.9	7.1
強迫您無條件作出銷售返利/退佣 (n=55)	89.1	10.9
強迫您接受一些他提供的指定服務 (n=52)	88.5	11.5

表十: 根據您公司在最近七年(2000-2006)的實際情況,您 公司的主要零售商有

	主要零售商爲	
	<u>單類零售商(</u> %)	<u>多類零售商(</u> <u>%)</u>
限制您向其他零售商供應商品 (n=45)	86.7	13.3
強迫您接受他成爲您商品的獨家經 銷商 (n=37)	86.5	13.5
限制您向其他零售商提供銷售服務 (n=31)	83.9	16.1 2 /43

表十: 根據您公司在最近七年(2000-2006)的實際情況,您 公司的<u>主要零售商</u>有

	主要零售商爲	
	<u>單類零售商(</u> %)	<u>多類零售商(</u> <u>%)</u>
強迫您分擔商品的促銷費 (n=73)	82.2	17.8
規定您在供應商品予其他零售商時 的價格 (n=42)	81.0	19.0

表十一:

根據您公司在最近七年(2000-2006)的實際情況, 在簽訂銷售合約時,您公司的主要零售商曾強迫您

	主要零售商爲	
	<u>單類零售商(</u> <u>%)</u>	多類零售商 (%)
接受在任何情況下,他能隨時將您 供應的商品下架或撤櫃 (n=72)	83.3	16.7
承擔在任何情況下您所供應的商品 損耗的責任 (n=75)	82.7	17.3

表十二: 根據您公司在最近七年(2000-2006)的實際情況, 在簽訂銷售合約後,您公司的主要零售商曾

	主要零售商爲		
	<u>單類零售商(</u> <u>%)</u>	多類零售商 (%)	
拒絕接收您供應的商品 (n=39)	87.2	12.8	
強迫您更改合約條款(例如價格、 包裝等)(n=42)	83.3	16.7	

表十三: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	主要零售商爲		
	<u>單類零售商(</u> <u>%)</u>	<u>多類零售商(</u> <u>%)</u>	
利用一些獎勵方法(例如獎金)要求您不要供應商品給予新的競爭者 (n=3)	100.0	0.0	
限制您向其他零售商提供銷售服務 (n=29)	93.1	6.9	
在得知您有供應商品予新的競爭者時,拒絕接收您供應給他的商品(92.0	8.0	
n=25)		1 /43	

表十三: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	主要零售商爲		
	<u>單類零售商(</u> <u>%)</u>	<u>多類零售商(</u> <u>%)</u>	
限制您向其他零售商供應商品 (n=37)	91.9	8.1	
強迫您接受他成爲您商品的獨家經 銷商 (n=28)	89.3	10.7	
強迫您增加銷售返利/退佣,以維持他本身的利潤(n=51)	88.2	11.8	

表十三: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	主要零售商爲		
	<u>單類零售商(</u> <u>%)</u>	<u>多類零售商(</u> <u>%)</u>	
規定您在供應商品予其他零售商時 的價格 (n=40)	85.0	15.0	
強迫您分擔新的促銷費 (n=56)	82.1	17.9	
強迫您的商品減價,以維持他本身 的利潤 (n=65)	81.5	18.5 3 /s3	

? 根據供應商的每年營業額計算,被訪企業可分爲以下三組:

大型供應商:超過HK\$50,000,000 (n=

38)

中型供應商: HK\$5,000,001-50,000,00

0

(n=44)

小型供應商:HK\$5,000,000或以下(n=31)

表十四: 根據您公司在最近七年(2000-2006)的實際情況,您 公司的主要零售商有

供應商的規模爲

	<u>大型</u> 有(%)	<u>中型</u> 有(%)	<u>小型</u> 有(%)
限制您向其他零售商提供銷售服務 (n=30)	46.7	43.3	10.0
在他未達到本來約定的銷售額下, 作出銷售返利/退佣的要求 (n=43)	44.2	44.2	11.6
限制您向其他零售商供應商品 (n=4 4)	43.2	50.0	6.8

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表十四: 根據您公司在最近七年(2000-2006)的實際情況,您 公司的主要零售商有

	<u>大型</u> <u>有(%)</u>	<u>中型</u> 有(%)	<u>小型</u> <u>有(%)</u>
強迫您接受他成爲您商品的獨家經 銷商 (n=37)	43.2	48.6	8.1
強迫您接受一些他提供的指定服務 (n=51)	43.1	47.1	9.8
強迫您分擔商品的促銷費 (n=71)	40.8	49.3	9.9

表十四: 根據您公司在最近七年(2000-2006)的實際情況,您 公司的主要零售商有

	<u>大型</u> 有(%)	<u>中型</u> 有(%)	<u>小型</u> 有(%)
規定您在供應商品予其他零售商時 的價格 (n=41)	39.0	46.3	14.6
強迫您無條件作出銷售返利/退佣 (n=54)	38.9	48.1	13.0

表十五:

根據您公司在最近七年(2000-2006)的實際情況, 在簽訂銷售合約時,您公司的主要零售商曾強迫您

	<u>大型</u> 有(%)	<u>中型</u> 有(%)	<u>小型</u> 有(%)
接受在任何情況下,他能隨時將您 供應的商品下架或撤櫃 (n=70)	37.1	44.3	18.6
承擔在任何情況下您所供應的商品 損耗的責任 (n=73)	34.2	47.9	17.8

表十六:

根據您公司在最近七年(2000-2006)的實際情況, 在簽訂銷售合約後,您公司的主要零售商曾

	大型 有(%)	<u>中型</u> 有(%)	<u>小型</u> 有(%)
拒絕接收您供應的商品 (n=40)	45.0	37.5	17.5
強迫您更改合約條款(例如價格、 包裝等)(n=42)	42.9	42.9	14.3

表十七:

根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	<u>大型</u> 有(%)	<u>中型</u> 有(%)	<u>小型</u> 有(%)
利用一些獎勵方法(例如獎金)要 求您不要供應商品給予新的競爭者 (n=4)	50.0	25.0	25.0
限制您向其他零售商提供銷售服務 (n=29)	48.3	48.3	3.4
在得知您有供應商品予新的競爭者時,拒絕接收您供應給他的商品(n=23)	43.5	56.5	0.0

表十七:

根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾

	<u>大型</u> <u>有(%)</u>	<u>中型</u> 有(%)	<u>小型</u> 有(%)
強迫您分擔新的促銷費 (n=53)	43.4	41.5	15.1
限制您向其他零售商供應商品 (n=3 7)	40.5	48.6	10.8
規定您在供應商品予其他零售商時 的價格 (n=38)	39.5	47.4	13.2

表十七: 根據您公司在最近七年(2000-2006)的實際情況, 當您公司的主要零售商面對新的競爭對手時,他曾 供應商的規模為

	大型 有(%)	<u>中型</u> 有(%)	<u>小型</u> 有(%)
強迫您增加銷售返利/退佣,以維持他本身的利潤 (n=49)	38.8	49.0	12.2
強迫您的商品減價,以維持他本身的利潤 (n=62)	37.1	43.5	19.4
強迫您接受他成爲您商品的獨家經 銷商 (n=27)	37.0	51.9	11.1 3 /63



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(三)由供應商作主導的營銷實務分析 (n=118)

表十八: 根據您公司在最近七年(2000-2006)的實際情況, 由您公司供應商品銷售的<u>主要零售商</u>,您曾否

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
規定他在銷售您所供應的商品時的 零售價格	32.2	60.2
強迫他分擔商品的促銷費用	5.9	40.0
限制他銷售其他供應商的商品	4.2	30.0

表十八: 根據您公司在最近七年(2000-2006)的實際情況, 由您公司供應商品銷售的<u>主要零售商</u>,您曾否

	有(%)	<u>佔全部交易次數</u> 百分比(平均值)
與其他供應商集體抵制他	1.7	50.0
強迫他購買一些沒有預先訂購的商 品	0.8	50.0



香港中文大學市場學系 香港零售業營銷實務研究



	,貴公司接受邀請參加是次研 日,謝謝!	究計劃。請將填妥的問卷放入附上的回郵信封
甲部	3:一般資料	編號:
1.	貴公司供應的商品種類主要爲	:(可選擇多於一個答案)
2.	貴公司的商品主要供應予:(福	5選擇一個答案)
	□ 連鎖藥房/個人護理零售商	□ 獨立超級市場 □ 獨立藥房/個人護理零售商 □ 獨立美容/化妝品零售商
3.	以上由 貴公司供應商品銷售的	<u>主要零售商</u> ,約佔 貴公司營業額的:
	□ 30%或以下 □ 51%-70% □ 超過90%	\square 3 1 % - 5 0 % \square 7 1 % - 9 0 %

乙部:以下第4至第8題是有關零售業營運的一些營銷實務,請根據您公司在最近七年 (2000-2006) 的實際情況,為每一問題圈選出合適的答案。如您圈選"曾經有",請同時填寫佔全部交易次數的百分比(%):

		完全沒有	曾經有	百分比
4.	您公司的 <u>主要零售商</u> 有:			
•	規定您在供應商品予其他零售商時的價格	1	2	
•	限制您向其他零售商供應商品	1	2	
•	限制您向其他零售商提供銷售服務	1	2	
•	強迫您分擔商品的促銷費	1	2	
•	強迫您接受一些他提供的指定服務	1	2	
•	強迫您無條件作出銷售返利/退佣	1	2	
•	在他未達到本來約定的銷售額下,作出銷售返利/退			
	佣的要求	1	2	
•	強迫您接受他成爲您商品的獨家經銷商	1	2	
		完全沒有	曾經有	百分比
5.	在簽訂銷售合約時,您公司的主要零售商曾強迫您:			
•	承擔在任何情況下您所供應的商品損耗的責任	1	2	
•	接受在任何情況下,他能隨時將您供應的商品下架或撤櫃	1	2	
		完全沒有	曾經有	百分比
5.	在簽訂銷售合約後,您公司的主要零售商曾:			
•	強迫您更改合約條款(例如價格、包裝等)	1	2	
•	拒絕接收您供應的商品	1	2	

		完全沒有	曾經有	百分比
7.	當您公司的主要零售商面對新的競爭對手時,他曾:			
•	規定您在供應商品予其他零售商時的價格	1	2	
•	限制您向其他零售商供應商品	1	2	
•	限制您向其他零售商提供銷售服務	1	2	
•	強迫您的商品減價,以維持他本身的利潤	1	2	
•	在得知您有供應商品予新的競爭者時,拒絕接收您供			
	應給他的商品	1	2	
•	強迫您增加銷售返利/退佣,以維持他本身的利潤	1	2	
•	利用一些獎勵方法(例如獎金)要求您不要供應商品			
	給予新的競爭者	1	2	
•	強迫您分擔新的促銷費	1	2	
•	強迫您接受他成爲您商品的獨家經銷商	1	2	
		完全沒有	曾經有	百分比
8.	由您公司供應商品銷售的主要零售商,您曾否:			
•	強迫他購買一些沒有預先訂購的商品	1	2	
•	限制他銷售其他供應商的商品	1	2	
•	規定他在銷售您所供應的商品時的零售價格	1	2	
•	與其他供應商集體抵制他	1	2	
•	強泊他分擔商品的促銷費用	1	2	

9.	閣下的職銜是:	
10.	貴公司聘用的員工人數:	
	□ 10人或以下 □ 51-100人 □ 501-1000人	□ 11-50人 □ 101-500人 □ 超過1000人
11.	貴公司供應給香港零售市場的每	5年營業額:
	□ HK\$500,000 或以下 □ HK\$1,000,001 - 5,000,000 □ HK\$10,000,001 - 50,000,000 □ 超過 HK\$100,000,000	☐ HK\$500,001 – 1,000,000 ☐ HK\$5,000,001 – 10,000,000 ☐ HK\$50,000,001 – 100,000,000
		問卷完 —

丙部:個人及企業資料

謝謝 一



長春社 Since 1968

The Conservancy Association

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Response to Future Development of Electricity Market Consultation (Stage II)

The Conservancy Association

21 March 2006

Hong Kong is facing severe challenges with worsening air quality. The structure and performance of the future electricity industry are crucial. We believe that the current proposals in the Consultation document have fallen short of setting out a sustainable energy policy to reverse the current deteriorating trend and to safeguard public interests.

1. Transparency and Accountability in a new regulatory framework

In order to safeguard public interests, it is essential that the new scheme be operated with a much-enhanced level of transparency so to allow public scrutiny of the utility companies' performance. All proposals for capital investments, relevant needs analysis, feasibility studies and sustainability assessments should be released to the public before decisions are made by the Administration.

We support the establishment of an independent, stakeholder-led regulatory authority to develop sustainable energy policy, oversee market reform, review environmental performance and decide upon tariffs based on a public hearing process. It is essential that the public be provided with not only access to information but also the means to participate in decision-making within the agreed framework with the market players. Prior to the establishment of a independent authority, the operation of the Energy Advisory Committee should be elevated to the level similar to the Advisory Committee on the Environment through more broad-based stakeholder representation, higher transparency and enhanced authority.

2. Grid Access in favour of Renewable Energy

It was proposed in the consultation paper to make the grid connection more accessible to the Renewable Energy (RE) Users by the establishment of official technical codes. We believe, however, instead of the government acting merely as a facilitator, it should take responsibility in setting the technical codes and grid access charges for RE suppliers, with a bias in favour of the latter so as to encourage the development of RE.

Since the bulk of future RE supplies will most probably come from Guangdong, more solid commitment should be extracted from the utility companies regarding interconnection between Hong Kong and Guangdong in the near term. The government should specify that when new electricity supplies become necessary because of increased local demands, new supplies must come from an RE source, whether local or across the border, and allow third parties to bid for the opportunity of providing such supplies with a view to promoting fair competition and achieving best outcome for the public.

3. Emission reduction and Sustainable Energy Policy

As stated in the consultation paper, the Kyoto Protocol was extended to Hong Kong since May 2003 and Hong Kong was committed to reducing greenhouse gases emission, especially carbon dioxide, as far as practicable. In addition, according to the agreement reached with the Guangdong Provincial Government in 2002, four main pollutants, namely, sulphur dioxide, nitrogen oxide, respirable suspended particulates and volatile organic compounds, would be reduced by 40%, 20%, 55% and 55% in 2010, as compared with 1997 levels.

Coal-fired generations are the major contributor of carbon dioxide and sulphur dioxide emission. Therefore, efforts should be made to minimize the impact made by conventional coal-fired generations. We agree that the wider use of LNG would be a practical, though inadequate, option for reduction of greenhouse gases and air pollutant emissions. However, we believe that the selection of sites for CLP's proposed LNG receiving terminal should not be limited only to Hong Kong territory. The government should commence urgent discussions with the Guangdong government and explore the possibility of a joint LNG terminal along the coast of Pearl River Delta. By widening the selection pool, it is likely that a better site may be identified outside of Hong Kong territory that may cause the least environmental damage and safety concerns and that both Hong Kong and Guangdong authorities may find it to be a win-win situation.

In addition, other advanced technologies, such as the Clean Coal Technology (CCT), ought to be accorded with higher priorities with a view to searching for the best available technologies in the medium to long-term.

We are disappointed that the government has not specified any emission targets beyond 2010,

as we believe that clear long-term targets are not only essential for continuous improvement

of air quality, but also indispensable for the long-term planning of the utility companies. The

government should, as a matter of priority, develop guiding principles for continuous

improvement and specify long-term emission targets as part of a sustainable energy policy

which should include, inter alia, a fuel mix policy and an energy conservation policy.

4. Energy Conservation and Demand-side Management

The assimilative capacity of Hong Kong's environment, and by extension the Peal River

Delta, is already under high stress. The relief of this environmental stress is dependent on

whether Hong Kong can develop into a more energy efficient economy. The test is whether

we can continue to improve our quality of life without a corresponding increase in energy

consumption.

It is therefore important not to consider the development of the electricity market in isolation.

However emission-friendly the power produces may become, our only hope of improving air

quality in the long term lies with a fundamental shift to sustainable production and sustainable

consumption. Dedicated efforts must be made to promote more systemic changes in the

economy through either incentives or regulations.

For instance, if the peak electricity demand, which occurs for only a day or two in every year,

can be controlled, no new supply facility will be necessary. The success of demand-side

management will have significant implication for not only the environment but also the

ultimate costs that consumers will have to shoulder through electricity tariffs.

The proposed independent energy authority should be empowered to develop a sustainable

energy policy and to implement energy conservation and demand-side management measures.

This is an important task which is left largely unattended in the current government set-up, to

the detriment of both the environment ant the financial interest of the public.

The Conservancy Association

21 March 2006



"advanced learning programmes"

29/03/2006 19:30

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian.	Tho	$C \circ v$	Family	
Sign.	Tine	COX	ramiliv	

"The Feel Good Factor"



29/03/2006 11:24

To: <electricitycommentstage2@edlb.gov.hk>

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			-				



立法會陳偉業議員辦事處 OFFICE OF ALBERT W. Y. CHAN, LEGISLATIVE COUNCILLOR

木越檔案 Our Ref: 米函檔號 Your Re!:

香港中環下空區場道 中區政府台署中及東座三樓 經濟發展及第二局 經濟發展及第一局局長 葉樹塑先生

伊里 : 2868 4679 州南京 : 2810 2318

孫苟長:

就「香港電力市場未來的發展:第二階段諮詢文件」的建議

就「香港電力市場未來的發展:第二階段諮詢文件」文件,本人現呈交就「香港電力市場未來的發展:第二階段諮詢文件」的建議一份。本人盼 贵局能研究及落實有關建議。打破電力市場壟斷,使市民可享用更廉價、更清潔的電力俱應服務。專此函達,作候示覆。

17.12 1 to 44.

陳偉業

謹放

二零零六年三月三十一日

附件:就「香港電力市場未來的發展:第二階段諮詢文件」的建議

為馬萊澤 編束部永康樓地下9人 9人, C/I、Wing Hong Building, Fok Loi Estate, Tsuen Wan, Hong Kong 各港東前總東部各樓地下2室 1500 2. C/I、Sin Yai House, Yat Tung Estate, Tung Chung, Hong Kong 会場中環德園電影號灣園寶通銀行人境6/F 602人完 ◆ Roi 602人, G/E、Citibank Tower, 3 Garden Road, Central, Hong Kong

電話 Tel - 24113107 構作 Fax - 24179985 電話 Tel - 31406833 構作 Fax - 31406368 電話 Tel - 28699653 構作 Fax - 28699652

也是此此上mail: wychan@hknet.com

就「香港電力市場未來的發展:第二階段諮詢文件」的建議

立法會陳偉業議員 2006年3月31日

TO: 925373539

1. 引言

香港政府聲稱香港是其中一個最自由的經濟體系,但香港的電力市場卻異常地封 閉。戰後至今的六十多年裡,香港的電力市場均被兩間電力公司:中華電力有限公司(下 稱中電)及香港電燈公司壟斷(下稱港燈)。中電壟斷了九龍及新界區的電力供應服務,而 港燈則壟斷了港島區及電力供應服務。政府對於兩間電力公司壟斷電力市場的問題袖手 旁觀,政府更透過管制計劃協議,確保兩電賺取暴利,任由兩電濫收費用。香港政府過 去多年的電力市場政策,足以證明政府是透過各種協議及法例,向大財團輸送利益。

1.2 近年,隨著管制計劃協議有效期即將結束,不少社會人士開始討論應該如何改革電 力市場,使香港市民可以享用廉價而清潔的電力供應服務。有鑒於此,政府在過去兩年 就香港電力市場未來的發展進行兩次諮詢。在第二階段諮詢文件中,政府建議透過開放 電網、加強兩電聯網、把准許回報率降低至711%,以及訂定目標,在2012年或以前, 由可再生能源提供的電能將佔本港用電需求的1-2%。

1.2 然而政府的建議仍未能打破兩電壟斷的情況,政府必須把握 2008 年管制計劃協議有 效期結束的契機,徹底改革電力市場,使電力市場更為開放,引入更多競爭,才能使香 湛市民得到充份的保障。使香港市民的生活質素得以改善。

2. 現時香港電力市場政策

2. 1 現時香港電力市場政策主要是為兩間電力公司制定的,管制計劃協議已成為香港政 府管制電力市場的主要政策。

2.2 管制計劃協議

- 2.2.1 政府於 1964 年開始向兩間電力公司實施管制計劃協議,對其利潤的上限作出管 制。香港政府於 1993 年與兩間電力公司簽訂現時實施的管制計劃協議。管制計劃協議 的内容主要包括准許利潤上限及發展基金兩部份。
- 2.2.2根據管制計劃協議,政府為兩間電力公司訂定利潤上限。該利潤上限為固定資產 平均淨值的13.5%,以及1978年後股東投資於購置固定資產的金額的1.5%兩者的總和。
- 2.2.3 若雨間電力公司獲得的利潤比准許利潤上限高,則餘額須撥歸發展基金。若果雨 間電力公司的利潤未達到准許利潤上限,則可從發展基金調撥款,計入電力公司該年的 利潤內。

1

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2.2.4 經濟發展及勞工局的經濟發展科會透過上述的管制計劃協議,監察兩間電力公司 的運作,確保利潤不會超過准許利潤的上限。

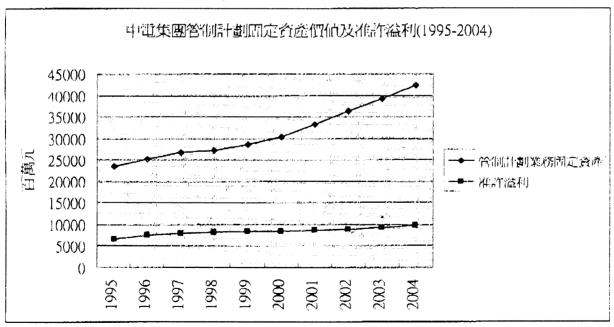
3. 香港政府電力市場政策造成的問題

3.1 香港政府利用管制計劃協議,以監管兩間電力公司的利潤水平,原意是希望透過管 制計劃,防止電力公司濫加電費。然而,由於雨間電力公司壟斷香港市場的問題未獲得 解決,加上管制計劃協議存在漏洞,使電力公司可以透過現時的政策殘民以自肥。在現 行的政策下, 電力公司犯了下列四宗罪:

3. 2 過度投資、浪費資源

- 3.2.1 現行的管制計劃協議中對於利潤的管制,是沿用回報比例管制法(rate of return)。在這個方法中,電力公司的准許利潤上限會按照固定資產平均淨值的增加而 上升。因此這個管制利潤的方法只會鼓勵電力公司不斷增加固定資產的投資,以增加准 許利潤的上限。由於電力公司不斷增加固定資產,例如增加發電機組、增加廠房等。因 而造成電力供應過度以及過度投資的問題。
- 3.2.2上述過度投資及電力供應過盛的現象也出現於香港兩間電力公司中。香港在實行 管制計劃協議後、兩間電力公司的固定資產總值有增無減。以中電為例、在過去十年、 中電管制計劃業務固定資產總值總共增加 81%,而准許溢利亦增加了 46%(詳見圖一)。 由此可見,兩間電力公司透過增加固定資產,以增加准許利潤水平。

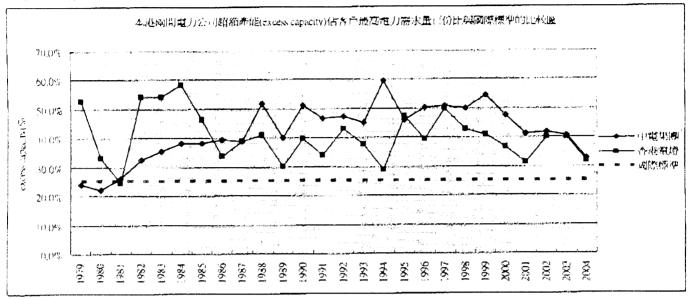
圖一:中電集團管制計劃固定資產價值及准許溢利(1995-2004)



3.2.3 在兩間電力公司不斷增加固定資產,提高本港發電廠的供電量的同時,兩間電力 公司的發電量也長期供過於求,產生大量超額產能(excess capacity),造成浪費。根 據圖二顯示。中電的超額產量佔客戶最高電。力需求量的百份比長期高企於 40%以上。

比國際標準的 25%高出 15%。而港燈則高企於 30%以上,比國際標準的上限高出 5%。在表一中更顯示,兩間電力公司的超額產能水平均較其他亞太地區為高。從上述的數據可見,兩間電力公司產生了大量超額的能源,嚴重浪費地球資源。

圖二:本港兩間電力公司超額產能(excess capacity)佔客戶最高電力需求量百份比



表一:香港兩電超額產能水平(%)與其他亞洲國家比較表

	台灣	南韓	泰國	中電	港燈
1994	5. 9%	7.8%	9.0%	59.4%	28.9%
1995	4.9%	6.4%	8.0%	46.0%	47. 3%
1996	2.7%	10.7%	8.0%	50.4%	39.5%
1997	9.0%	13.1%	8. 0%	50.8%	49.9%
1998	12.0%	31.1%	17.9%	50.0%	42.7%
1999	17.7%	19.1%	27.7%	54. 3%	41.0%
2000	14.6%	16.8%	28.0%	47.6%	36. 7%
2001	14.6%	15.1%	4.0%	41.4%	31.4%

(資料來源: Stephen Luk, Electricity Tariffs in Hong Kong: What went wrong and what can we do about it. Energy policy 33 (2005), p. 1085-1093)

3.3 收費高昂、市民受苦

3.3.1 雖然過去多年兩電均投資過度,並不斷無止境地增加固定資產,但兩電均無須為本身的投資失當承擔風險。在現行的管制計劃協議中,兩電增加投資,只會增加准許利潤水平的上限,讓兩電可以合法地賺取更多利潤。在兩電壟斷香港市場的情況下,兩電便可以任意向毫無選擇權的消費者收取高昂的電費,使利潤達到准許利潤水平。

3.3.21993年,政府與兩電簽訂的管制計劃協議中,允許兩電可以獲取高水平的利潤, 從表二中可見,香港兩電的准許資產回報率及准許股本回報率均高於中國及其他己發展 地區。

3

3.3.3 由於香港兩電的准許資產回報率處於偏高水平,加上兩電壟斷香港電力市場,香港市民不能選擇價錢較低的電力公司,因此當兩電透過增加投資,增加固定資產平淨值,以增加准許利潤的金額上限時,電力公司便會透過向消費者索取高昂的電費。使利潤達至准許利潤水平,並把過度投資、電力過剩的風險完全轉嫁予消費者。基於上述原因,兩間電力公司的收費也比部份世界主要城市的電費為高(詳見表三)。若與日本、英國、美國、台北、澳洲、南韓、加拿大等已發展地區比較,香港兩電的電費水平僅低於日本的平均電費(詳見圖三)

表二:	世界	各國對電	力市	易的規	管及	准許回報率
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	7 7 0 4 2	也27 下"初刊700日人	
地區	監管行業	准許資產回報率	准許股本回報率
香港	發電、輸電及配電	13.5% - 15%	20% - 25%
中國內地	發電、輸電及配電	8% - 10%	10% - 15%
葡萄牙	發電,輸電及配電	8.5% - 9%	N/A
澳洲	輸電及配電	6. 3% - 7. 5%	11% - 13%
法 國	翰電及配電	7. 25%	N/A
英 國	輸電及配電	6. 25%	N/A
美 國	發電、輸電及配電	N/A	9% - 12%
加拿大	發電、輸電及配電	N/A	9% - 11%
徳 國	輸電	N/A	6. 5%
比利時	輸電及配電	N/A	5. 7%

資料來源: 2005 年 12 月 31 日,明報

3.3.4 管制計劃協定除了導致香港電費高昂,更使兩電可在經濟逆境及通縮時仍然加價或不減價。使市民在艱難的時刻仍要承擔高昂的電費。例如港燈每度淨電費。在經濟低迷的 2000 年至 2004 年,增加了 14%。雖然港燈去年利潤達 63 億元,但港燈卻擊稱股東回報仍比准許利潤少七億元,因此宣佈在今年一月起加價 7.2%。至於中電方面,雖然中電沒有增加電費。但也沒有隨著通縮而下調電費,在 2000-2004 年,每年電費減幅均遠低於 1%(詳見表四)。

表三:部份世界主要城市電費

地區	每度電平均價格 (港幣)
東京	1.57
倫敦	1.49
三藩市	1. 15
香港(港燈)	1.00
悉尼	0. 99
布里斯班	0.95
香港(中電)	0. 92
新加坡	0.80
台北	0. 58

4

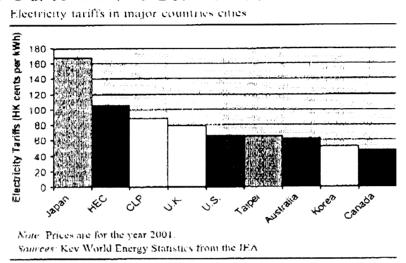
95%

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資料來源: 2005年12月31日,明報

3.3.5基於上述原因,香港電費高昂,對收入極為有限的基層市民影響最為深遠。不少基層市民為了節省用電,入黑後不會開燈,以免支付高昂電費。不少基層居民為了節約用電,更會用柴作為燃料用作煮食。由此可見,管制計劃協議被兩電濫用,使之成為保障兩電利潤的工具,兩電更可籍著管制計劃協議向市民濫收電費,迫使基層市民減少用電,甚至不用電,大大損害基層市民的生活質素。

圖四:與部份已發展地區平均電費比較圖(HEC:香港電燈、CLP:中電)



(資料來源:Stephen Luk, Electricity Tariffs in Hong Kong: What went wrong and what can we do about it, Energy policy 33 (2005), p. 1085-1093)

港燈每度電的 中電每度電的電 變化幅度 變化幅度 電費(港仙) 費(港仙) 71.8 80.4 1995 +7.7%83. 5 77.3 1996 +3.9%+8.3% 83.7 1997 86.4 +3.5%+4.8% 87.7 1998 90.3 +4.5% +1.0%88.6 1999 90.3 0.0% -0.7% 2000 90.3 0.0% 88 +6.5% 88 0.0% 96. 2 2001 -0.5% 2002 101.3 +5, 3% 87.6 87.5 2003 101.3 0.0% -0.1%+2.0%87. 2 0.3%2004 103. 3

表四 1995 年至 2004 年中電及港燈電費變化表

3.4 排放廢氣、威脅市民健康

3.4.1 由於兩間電力公司只求達至最高利潤,不斷擴張廠房及發電機組,但現時的管制計劃協議又沒有明文規定兩間電力公司必須減少排放廢氣,亦無條文要求電力公司採用較清潔的能源發電,因此兩間電力公司也。用不環保的方法發電,對本港空氣構成污

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染,嚴重影響香港市民的身體健康。

3.4.2 過去多年內,發電廠排放的廢氣也是其中一個香港空氣污染重要的源頭。發電廠排出的廢氣主要包括二氧化碳、二氧化硫。兩電發電廠所排放的各類空氣污染物也佔 去全港排放的空氣污染物的很大部份(見表五)。

表五:發電廠排放的空氣污染物佔香港各種空氣污染物的排放量的百份比(2004年)

空氣污染物	, , , ,
粒子	50. 8%
二氧化硫	92. 2%
氮氧化物	48. 5%

3.4.3 在眾多發電廠排放的廢氣中,二氧化硫是其中一種對人類身體健康構成威脅的廢氣。吸入二氧化硫可使呼吸系統功能受損,加重已有的呼吸系統疾病(尤其是支氣管炎及心血管病),亦會導致喘氣、氣促、咳嗽等。二氧化硫亦會導致死亡率上升。最易受二氧化硫影響的人士包括患有哮喘病、心血管或慢性肺病(例如支氣管炎或肺氣腫)者,兒童及老年人。雖然二氧化硫對人類健康構成嚴重威脅,但自 1999 年起,兩電的二氧化硫排放量卻逐年增加,中電的二氧化硫排放量,更在 2002 年至 2003 年期間上升了90%(見表六)。中電二氧化硫排放量上升的其中一個原因,是因為中電增加發電量,向中國大陸輸電,以賺取更多的利潤。中電為了增加發電量,以應付中國大陸的需求,便開動更多發電機,從而增加二氧化硫的排放量。電力公司排放二氧化硫量的持續上升,已對附近居民的健康構成嚴重威脅。

表六:2000-2004 年發電廠二氧化硫排放量變化幅度及中電二氧化硫排放量變化幅度

	全港發電廠二氧化 硫排放量(公噸)	變化幅度	中電二氧化硫排 放量(公噸)	變化幅度
2000	56800		29700	
2001	59200	+4.2%	30500	+2. 7%
2002	60100	+1.5%	26900	-11.8%
2003	83800	+39.4%	51100	<u>+90.0%</u>
2004	87500	+4.4%	51800	+1.4%

資料來源:環境保護署、中電集團 2004 年社會及環境報告

3.4.4 近日。中電二氧化硫排放量增加。已引起政府的關注,政府嘗試要求中電加設脫硫裝置,但中電的回應極為遲緩,中電去年才向政府提交加設脫硫裝置的環評概要。政府為了加快中電減少二氧化硫排放量的進度,建議在新利潤管制協議中要求兩電減少排污,如不能減少排放廢氣,政府則會透過減低准許利潤水平懲罰中電,但卻遭中電強烈反對,中電指投資減排設施的准許回報低,不達減排目標更會被罰,最終會使產電的不明朗因素大增。至今,香港政府除了透過傳。媒批評中電外,仍無短期及有效的方法過

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95%

止中電增加廢氣排放量。

3.4.5 從上述分析中可見,電力公司為了謀取暴利,不願投放資源改善排放廢氣的設備,使香港的空氣受到發電廠廢氣的污染,使香港市民的健康受到長期的威脅。

3.4 赚取暴利、殘民以自肥

3.4.1 由於管制計劃協議中的准許利潤水平偏高,加上政府對兩電監管不足,因此兩電盡量利用管制計劃協議的漏洞,不斷向市民收取高昂電費,使兩電的利潤逆市上升。從圖五中可見,雖然代表基層市民收入水平的家庭入息中位數不斷下跌,兩電的利潤在過去十年卻有顯著的升幅。電費佔香港基層市民生活開支的比重日漸增加,嚴重影響香港基層市民的生活質素,而中電更為了開拓大陸市民,增加本港發電廠的發電量,從而增加廢氣的排放量,更為市民的健康構成嚴重的威脅。兩電為了獲得豐厚的利潤,不惜過度投資、收取高昂電費及不適當地處理廢氣,足以證明兩電為求賺取暴利,用各種方法發民以自肥。

4. 其他國家的政策

在香港政府面對著兩電壟斷電力市場,不斷向市民收取高昂費用的困局,仍然採用已經 失效及被電力公司濫用的管制計劃協議對兩電進行規管的同時。其他已發展國家,卻已 開始推行若干政策,使國民可以享用較廉價、較環保的供電服務。

4.1 開放電力市場,引入競爭

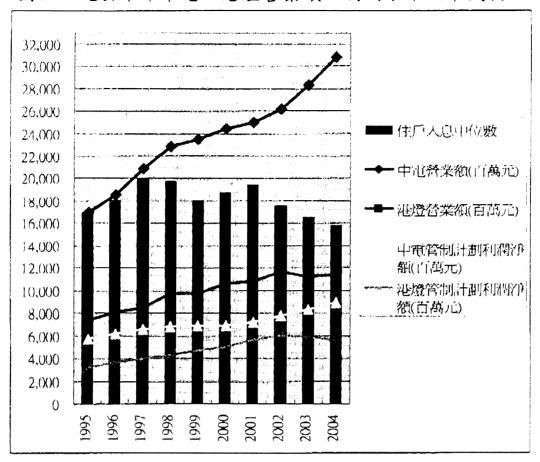
- 4.1.1 現時不少國家也透過開放電力市場,引入競爭,以防止電力供應商壟斷市場,以 及增加消費者的議價能力,從而防止電力供應商濫收費用。以歐洲各國為例,過去五年, 不少歐洲各國也致力開放電力市場,引入競爭(見表七)。
- 4.1.2 歐洲各國主要透過發電、輸電分家以及增加電力公司數目,從而製造更多競爭, 防止電力公司壟斷電力市場。

4.1.2.1 發電廠、輸電網絡分開經營

現時不少歐洲國家也把發電,輸電分開經營,以防止一間公司壟斷電力市場。有關各國 發電、輸電、售電分開經營的模式詳見表八。

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圖五:過去十年中電、港燈營業額、利潤水平及市民收入



表七:歐洲各國被開放的電力市場佔整體電力市場百份比

The analysis of the second sec			
	2000	2003	2005
奥地利	30%	50%	100%
比利時	35%	100%	100%
	90%	100%	100%
法國	30%	35%	70%
德國	100%	100%	100%
意大利	30%	40%	79%
荷蘭	35%	100%	100%
瑞典	100%	100%	100%
英國	100%	100%	100%

4.1.2.2 增加電力零售供應商數目,引入競爭

4.1.2.2.1 過去數年,不少國家也致力透過立法、分拆電力公司、開放電網引入外國電力公司競爭等,以增加電力零售供應商的數目,從而增加消費者的選擇,防止電力市場被寡頭壟斷,表九為歐洲各國電力零售供應商的數目及三個最大型電力零售供應商的市場佔有率,可見大部份國家三個最大型的電力零售供應商的市場均不能完全操縱電力市場。

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4.1.2.3 星加坡的開放電力市場例子

4.1.2.3.1 近年,除了歐美國家開放電力市場外,部份城市也積極為電力市場引入競爭,其中一個值得參考的例子是星加坡。

4.1.2.3.2在1995年之前,星加坡的電力市場為一間電力公司壟斷,在1995年,星加坡政府對電力市場作出全面檢討,並制訂時間表,為電力市場逐步引入競爭。經過8年的改革,現時發電及電力零售業務已從發電廠及輸電網絡中分割出來,由三間公司管有三個發電廠,並由三間公司提供電力零售服務。消費者可以選擇向不同的電力零售商購電,或直接由電力批發市場購電。跟據學術研究顯示,隨著星加坡電力市場引力競爭政策,電力的生產效率改善了30%,而2004年的平均電費也較2000年減少8%。

4.1.2.3.3 從星加坡的例子中可以見到,即使電力市場被一間電力公司壟斷,只要政府有決心進行改革,也可以透過引入競爭,改善電力市場架構,使消費者的權益得到保障。

4.2 採用誘因管制機制(Incentive Regulation),訂定電費上限

4.2.1 現時香港政府推行的管制利潤機制,屬於較為舊式的回報比例管制法。在本文的第3部份、已經分析了這機制為香港市民帶來的損害。事實上,美國亦曾推行上述的機制、跟據不少學術研究指出,在推行回報比例管制法後,發電廠的效率下降,成本逐年上升。有鑒於回報比例管制法存在著很多問題,不少國家已採用誘因管制機制來管制價格。

4.2.2 誘因管制機制主要是訂定指標,為電費的價格訂定上限,而非為利潤訂定上限。 誘因管制機制主要透過物價指數 (retail price index)或消費物價指數減生產力提升 數值 X%的方程式來訂定電費價格或電力公司的收入上限。這個方法一方面可以防止電 力供應商濫加電費,也可以促使電力供應商改善生產效率,防止過度投資。現時不少國 家,包括澳洲、挪威、西班牙等已推行上述的價格管制機制,而部份國家在實施誘因管 制機制後,更可節省供電成本,例如英國實施上述的機制後,輸電網的成本亦顯著下降。 由 1994/1995 年的每年 8 億英鎊大幅減少至 1998 年的 3.6 億英鎊。

4.2.3 因此,隨著 2008 年管制計劃協議有效期屆滿,政府應積極考慮改變管制機制, 以免電力公司濫加費用。

4.3 積極發展可再生能源

4.3.1 近年,世界各國也積極發展可再生能源,使國民可以享用更清潔的能源。在香港政府的可再生能源政策還停留在研究階段時,各國政府已就可再生能源的發展訂定清晰的目標,並透過建立專責部門、制訂優惠政策以及訂立法例來推行可再生能源政策。

4.3.2 訂立清晰目標

4.3.2.1 近年,世界各國政府也為發展可再生能源訂定清晰的目標,雖然香港政府也訂定目標,在2010年時可再生能源佔重發電量的1%,但卻與其他已發展地區甚至是發展中地區的目標相差甚遠(詳見表十)。從表4.3.2.1 中可見,部份已發展國家所訂定的指標高達50%以上。而大部份已發展國家也規定2010年可再生能源發電量佔該國/該地區總發電量的比例為10%以上,均遠比香港政府所訂的指標為高。

表八:世界各國發電廠及輸電網絡分家狀況

發電、輸電網絡分開經營模	模式簡介	實行該模式的國家
式 擁有權分割	發電廠、輸電網絡及售電業	芬蘭、挪威、西班牙、瑞典
	務三部份均由不同的經營者 擁有及經營	
擁有權和經營權分割	發電廠的決策過程,投資及 運作並非由發電廠擁有者負	加利福尼亞洲、新西蘭
	責,而是由獨立於發電廠擁 有人的人士負責。	
在會計帳目或功能進行分割	發電廠及輸電網絡由同一個 公司經營及擁有,但發電廠	奥地利、丹麥、比利時、德 國、希臘
	及輸電網絡的會計帳目會分	
	開處理。功能上進行分割則除了把發電廠及輸電網絡的	
	會計帳目分開處理外,還會 把發電輸電的人員與售賣電	
	力的人員分開管理。	

表九。歐洲各國電力零售商數目

	4C/U " =	CONTRA BUT A	D 101 300 00
)	2005 年電力零	2005 年三個最	每間電力零售商平均可得到
	售商數目	大型電力零售	的客戶數量(國民總數/電力
		商的市場佔有	零售供應商數目)
		率	
香港	2	100%	3,800,000 人
奥地利	144	67%	56,895 人
比利時	41	90%	255, 435 人
丹麥	69	67%	78, 955 人
芬蘭	70	30%	74,733 人
德國	1050	50%	78,497 人
瑞典	127	70%	71,201 人
挪威	130	44%	35, 467 人

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表十	: 2010	年可再生	能源發電	量佔該國	/該地區的	勺總發了	1 量比例
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	2010年可再生能源發電量
	佔該國/該地區的總發電
	量比例
香港	1%
美國	20%
澳洲	11%
愛爾蘭	13. 2%
比利時	6%
荷蘭	9%
丹麥	29%
盧森堡	5. 7%
芬蘭	31.5%
希臘	20.1%
德國	12. 5%
英國	10%
欧盟	22.1%
意大利	25%
西班牙	29. 4%
奥地利	78. 1%
法國	21%
葡萄牙	39%
瑞典	60%

4.3.3 就可再生能源政策訂定法規

4.3.3.1 近年,不少國家也就可再生能源政策訂定法規,從而使發展可再生能源的政策有法可依。

4.3.3.2 不少已發展的國家已就可再生能源訂定法例,把發展可再生能源的目標寫進法律內。例如 1990 年代,德國訂定 "the Act on Supplying Electricity from Renewables",該法規規定公共能源機構須購買一定數量的可再生能源,而德國政府會購買可再生能源的機構提供補貼。此外,澳洲亦訂定可再生能源(電力)法,就可再生能源的生產、營運、採購訂定規則,並授權由某部門負責監管可再生能源的運作,以及把2001-2010 年的可再生能源發電量的目標寫進法規內。

4.3.3.3 從上述例子可見,不少已發展國家已為可再生能源政策訂定法規,香港政府亦 應為可再生能源立法,使可再生能源政策更為清晰及有法可依。

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4.3.4 建立專責部門處理可再生能源政策

- 4.3.4.1 現時不少歐洲國家也透過設立專責部門,處理可再生能源政策,使可再生能源政策可以在充足的政策支援下,順利地推行。以荷蘭及澳洲為例。荷蘭的可再生能源政策由經濟部負責推行及訂定,而澳洲的可再生能源政策由 Australian green house of fice 訂定。該部門負責訂定可再生能源(電力)法,以及為未來十年的可再生能源政策訂定指標。當可再生能源(電力)法在 2000 年實施後, 便根據可再生能源(電力)法,成立 The Office of the Renewable Energy Regulator,負責規管可再生能源及監督發展可再生能源的進度。
- 4.3.4.2 從上述的例子中可見,不少已發展國家已由特定部門負責推行可再生能源的政策。香港政府亦應考慮建立特定部門,負責訂定及執行可再生能源政策。

4.3.5 向可再生能源生產者提供優惠

- 4.3.5.1 現時香港政府並沒有明確的政策鼓勵市民及企業發展可再生能源,但世界各地已經透過各種政策,致力鼓勵企業發展可再生能源,例如加拿大政府在 2001 年低宣布了一項價值 2.6 億加元的風力生產激勵措施(WPPI)。該措施在風力建設項目運行的頭10 年裏,爲風能提供 0.8~1.2 加分/kW·h 的補貼。而德國政府在過去十多年內。透過稅務優惠、向可再生的投資及運作經費提供津貼,成功鼓勵企業投資可再生能源。
- 4.3.6 從上文中可見,在現時香港政府的可再生能源政策尚在研究階段時,其他國家早已訂定明確的目標,並訂定清晰的政策,鼓勵發展可再生能源。香港政府應向世界各國借鑑,加快發展可再生能源政策的進度。

5. 政策建議

- 5.] 有鑒於現時香港的電力市場政策偏袒電力公司, 容讓電力公司盲目投資、濫加電費及任意排放廢氣, 管制計劃協議更確保電力公司可賺取暴利, 政府應該把握 2008 年管制計劃協議屆滿的時機,改革電力市場政策,確保市民可以享用合理的供電服務。
- 5.2 把准許利潤水平由 13,5%減至 7%以下
- 5.2.1 在第二階段諮詢文件中,政府建議把准許回報率下調至 7-11%,然而。該建議仍然遠較世界各地的准許利潤水平為高,政府應把准許利潤水平調整至 7%以下,使該准許利潤水平回復至合理水平。准許利潤的調低,可以減少兩電賺取利潤的空間,兩電將難以再以利潤未達准許利潤水平為由,濫加電費或向用戶徵收高昂電費。

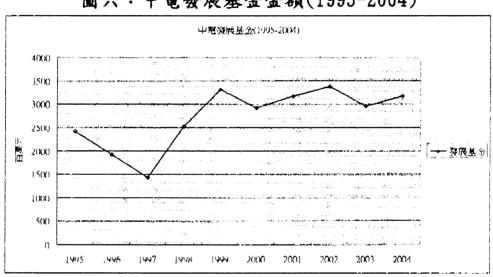
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95%

TO: 925373539

5.3 規定中重在 2008 年把發展基金回饋中電用戶

- 5.3.1 現時在雨電之中,中華電力有限公司為香港大部份市民提供電力。由於中華電力公司的電費長期高企,因此中華電力公司獲取鉅額盈餘,該等盈餘經常超越准許利潤的上限,必須被撥入發展基金的帳目內。根據中電年報顯示,2004 年的發展基金金額高達31 億元,2004 年的發展基金。更在1998-2004 年香港經濟低迷期間,增加了25%(詳見圖5.3.1)。
- 5.3.2 然而由於發展基金只用作確保中電的利潤能達到准許利潤的上限,因此縱使中電 發展基金不斷增加,消費者卻無法受惠。有鑑於管制計劃協議即將屆滿,政府應該要求 中電把高達 31 億元的發展基金回贈與中電客戶,以減輕中電客戶的電費負擔。



圖六:中電發展基金金額(1995-2004)

5.4 改革管制機制

5.3.1 在第二階段諮詢文件中,政府認為仍須保留繼續採用固定資產平均淨值(ANFA) 作為投資回報基數。然而,鑒於過去多年的管制利潤機制,不能有效地規管兩電的電費。 最終使兩電可以利潤管制利潤機制謀取暴利,隨著管制計劃協議的結束,政府應該引入 全新的管制機制,直接管制電費。政府應效法其他國家,按照消費物價指數,電力公司 的生產力、效率及環保水平,整定電力公司的電費上限。如政府能引入價格管制機制, 將可有效控制電費,防止電力公司在賺取暴利的情況下仍濫加電費。

5.5 收緊法例,限制發電廠廢氣排放量

5.3.3 近年,中電排放廢氣的數量不斷增加,究其原因,是因為管制計劃協議沒有對中 電廢氣排放量作出規管,即使中電排放二氧化硫的數量在 2000-2004 年增加了 50%以 上,但沒有違反管制計劃協議及法例,因此政府難以在短期內採取行動加以制止。但有

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鑑於中電排放二氧化硫的數量有急劇增加的趨勢,嚴重威脅市民的健康,政府應該制訂法例,進一步限制發電廠的廢氣排放量,以迫使中電在短期內減少排放廢氣。

5.6 訂定清晰目標,立法及建立專責部門,鼓勵發展可再生能源

5.3.2在第二階段諮詢文件中,並沒有具體的可再生能源政策,亦沒有建議建立特訂的部門、執行可再生能源政策。事實上,過去多年來政府的可再生能源政策模糊不清,負責鼓勵發展可再生能源的環境運輸及工務局,卻無權要求兩電增加對可再生能源的投資。因此,政府應該重新檢討可再生能源的政策,為可再生能源在 2010 年的產電水平訂定一個合乎國際標準的水平,並以此為目標,訂定相關的法例,以及開設專責部門、專責推展及落實發展可再生能源的政策,該部門應該有權制訂涉及電力市場的政策,以確保電力市場的發展合乎政府所訂定的可再生能源的目標。政府更應訂定政策,例如透過提供稅務優惠或電費補貼,鼓勵企業投資可再生能源設施,以增加可再生能源的供電量,從而減低香港對傳統發電廠的倚賴。當香港對傳統發電廠的需求下降,傳統發電廠產電量便會下降、廢氣排放量亦會隨之下跌,從而改善香港的空氣污染質素。

5.7 開放電力市場,引入競爭

5.7.1 政府在第二階段諮詢文件中,建議透過加強兩電聯網,開放電網來增加競爭。然而政府開放電力市場的政策亦未清晰,政府應為未來 10 年內的開放電力市場的進度訂立時間表。政府應制訂電力競爭法,禁止由同一間公司控制發電廠、發電網絡及配電服務,然後把兩電的輸電網絡連接,以及允許香港以外的電力公司向香港客戶供電。政府不應只限於開放電網及加強聯網,更應效法星加坡的做法,把售電服務和供電及發電項目分開處理,並鼓勵企業投入電力零售業務,以增加電力零售商的數目,透過增加電力零售商的數目,增加消費者的選擇權,以打破大企業壟斷全港電力市場的因局。

6. 總結

過去多年,政府對兩電的規管措施極為寬鬆,因此成為確保兩電賺取暴利的工具。即使在經濟低迷、基層市民收入每況愈下的情況下,兩電仍可向市民懲收高昂的電費。甚至加價。香港電費高昂,已經嚴重損害香港市民的生活質素,打擊市民的消費意慾。增加企業的營運成本,打擊香港經濟的競爭力。隨著2008年管制計劃協議有效年期的屆滿。政府應該把握時機,收緊管制政策,防止兩電謀取暴利,並採用世界各國行之有效的政策,改革電力市場,透過開放市場、引入競爭,以打破兩電壟斷電力市場的困局,並且應該制訂清晰政策,發展可再生能源,以減低本港發電廠的排放廢氣水平,使香港市民可以享用清新的空氣。只有香港政府徹底改革電力市場,才可使香港市民可以享用合理的電力服務,改善市民整體生活質素。



To: <electricitycon< th=""><th>nmentstage2@edlb.gov.hk></th></electricitycon<>	nmentstage2@edlb.gov.hk>
cc:	
Subject: Comment abo	ut future electricity market
Urgent [Return Receipt

Dear Sir / Madam,

Please find the attached file for Dr. Hon Kwok Ka Ki's comment

Regards,

Marco Lee Legislative Assistant The Office of Kwok Ka Ki Legislative Councillor

Phone: 2537 1380 Fax: 2804 6038

http://www.kkkwok.org

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Comment about future electricity market.pdf

香港中環下亞厘畢道 中區政府合署中及東座二樓 經濟發展及勞工局 局長葉樹堃先生

葉局長:

回應香港電力市場的未來發展第二階段諮詢

本人十分支持經濟發展及勞工局通過公開諮詢的方式,收集市民對於電力市場未來發展的 意見。而本人對該份文件有以下的意見:

一) 進一步調低准許投資回報率

本人認爲文件中提出的准許投資回報率 7%- 11%依然是偏高,以目前兩間電力公司壟斷了電力市場的情況而言,准許投資回報率最高應是 7%-8%左右,已爲投資者帶來豐厚的利潤。

二) 進一步鼓勵使用可再生能源

文件中表示希望 2012 年或以前,由可再生能源提供電力,才佔本地用電需求 1%-2%。然而,中國內地也定出 2010 年達至 5%電力必須來再生能源的指標。故此本人認爲有關的目標基本上也需與國內看齊,即 2012 年或以前,由可再生能源提供電力,佔本地用電需求 5%或以上。

本人亦認爲政府必需提供更多經濟誘因,鼓勵電力公司投放資源發展可再生能源發電,亦必需於與兩家電力公司新簽訂的《管制計劃協議》上加入相關的指標,迫使電力公司必認真地發展可再生能源發電。

三) 定立減排指標

兩電必須遵守由政府定立排污的指標,否則兩電必須向政府繳納罰款,有關的金額必須遠高於比他們投資減排設備的資金,此項罰款亦不得納入計算「准許投資回報率」。促使兩電認真地處理排污的問題,從而舒緩本港空氣污染的問題。

四) 開放電網

由於現時電力市場實際上是處於壟斷的局面,故此,必須盡快促使兩電聯網加速市場競爭,使市民可以在競爭的環境下獲得價錢更合理的電力服務。



2006年3月31日



9 February 2007

Our ref: MD/L015-07

Economic Development Branch (Division A) Economic Development and Labour Division 2/F Main Wing, Central Government Offices Lower Albert Road Central, Hong Kong

Dear Sirs

A Public Discussion Document on the Way Forward for Competition Policy in Hong Kong - Promoting Competition - Maintaining our Economic Drive

We, The Hong Kong and China Gas Company Limited (Towngas'), are writing in response to the Government's public consultation on the above-mentioned paper.

We do not have strong views on such legislation and believe the relevant proposals would not have any strong adverse impact on the economy of Hong Kong provided that the following principles are adhered to:

1. That legislation is applied across the board to all sectors

A single law applicable to all sectors would reinforce rather than weaken the rule of law in Hong Kong. It would, by definition, be predictable, fair and consistent, and could be enforced in a transparent way by an independent body, and ultimately, if necessary, in the courts of law.

By contrast, a sector-specific approach would be fraught with problems. Defining the limits of any one sector would be challenging. Different standards would probably emerge sector-by-sector creating legal confusion. A sector-specific approach would need to be drawn up and overseen by Government officials, creating conflicts, tending to opaque decision-making, and almost certainly weakening the rule of law in Hong Kong.

2. That legislation does not target market structure or market share

Hong Kong is by nature a small market. Market dominance is probably the result of good management rather than abuse of power. Although in the European Union, a market share of 30% would automatically trigger an investigation by the authorities, the same arrangement would be inappropriate for Hong Kong, as share in so small a market is not necessarily an indication of market manipulation, or even a capacity to manipulate the market but could just be due to lack of competition in the first place.

3. That legislation does not target "natural monopolies" and mergers & acquisitions

Many of Hong Kong's perceived competition policy problems are innate to small markets, so enacting a competition law and drafting details must recognise such a law would not be a panacea. Defining sectoral markets and segments of those sectors would be notoriously difficult, even more so as Hong Kong's boundary with the mainland becomes more porous. Large infrastructure undertakings, like the airport, cross-harbour tunnels, the mass transit railways, the electricity and gas markets, air cargo terminals and the port, all present challenges that no competition policy authority could easily resolve. The Government, and any new law, would need to formally acknowledge this as a reality. There may, for example, be a need to formally exempt such sectors or segments from competition authority oversight in recognition that competing beyond Hong Kong's physical territory in a globalised market place may create conflict regarding local market dominance.

With best wishes

Alfred W K Chan Managing Director

Acine CKAN

AWKC/ef



The Hong Kong Institute of Facility Management Limited

Unit 0.35 F Morrison Plaza, 5-9A Morrison Hill Poad, Wanghai, Hong Kong - Tei: 2537-2466 - Fax: 2537-4426 - http://www.nxifm.org.nx

Honorary Advisor

The Honourable LEUNG Chun Ying GBS JP

Date: 15 March 2006

Your Ref: 23 in EDB 24/26/18

Our Ref: 030/06

Secretary for Economic Development and Labour Economic Development and Labour Bureau Government Secretariat Central Government Offices Lower Albert Road Central Hong Kong

Attention: Mr. George Ling

(By post & by fax 2123 9438)

Dear George,

Consultation Paper on Future Development of the Electricity Market in Hong Kong Stage II Public Consultation

Thank you for your letter dated 30 December 2005 inviting us to put forth our views on the captioned subject. We are pleased to submit herewith our views and comments on "Future Development of the Electricity Market in Hong Kong" from the perspective of facility management, as set out in the attachment, for your consideration.

Thank you for your kind attention.

Yours Sincerely,

Ir Alfred SIT President

The Hong Kong Institute of Facility Management

Encl



THE HONG KONG INSTITUTE OF FACILITY MANAGEMENT VIEWS AND COMMENTS ON CONSULTATION ON FUTURE DEVELOPMENET OF THE ELECTRICITY MARKET IN HONG KONG STAGE II CONSULTATION

General

We totally agree with the Government's policy objective to ensure that the public can continue to enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimize the environmental impact caused by the production and use of energy. The Stage II Consultation paper has consolidated and incorporated most of the majority's comments in Stage I Consultation and provided many solid recommendations to ensure the future implementation to achieve this policy objective.

New Supply Sources

(i) Supply from the Mainland

We agree the direction of your proposed recommendations in continue monitoring the development of electricity market in Guangdong and make preparation for possible supply from the Mainland. As majority of public concerns, the reliability and safety of these potential supply sources shall be fully assessed and addressed.

(ii) Renewable Energy

We agree the recommendation in making arrangement in the future regulatory regime to provide financial incentive to power companies for grid connection/access for RE systems to promote the use of RE. However, we opined the RE target of 1%-2% by 2012 is conservative and the Government shall review this target in according to the economic situation and development of Hong Kong. We suggest that Government shall make reference to other developed countries such as Germany in their RE development experience.

(iii) Arrangement to Cater for New Supply Sources

We agree the recommendations regarding the grid access and increase interconnection between CLP Power and HEC and Guangdong.



THE HONG KONG INSTITUTE OF FACILITY MANAGEMENT VIEWS AND COMMENTS ON CONSULTATION ON FUTURE DEVELOPMENET OF THE ELECTRICITY MARKET IN HONG KONG STAGE II CONSULTATION (Cont'd)

Proposed Regulatory Arrangements

(i) Safety Regulation

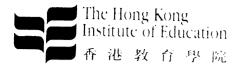
With the public demand of high expectation on safety of electricity supply, we agree the recommendation to continue to regulate by legislation safety in the supply and use of electricity, and update relevant requirements in tandem with technological developments and international practices.

(ii) Environmental Regulation

We agree that Government in imposing and tightening the emission caps on major pollutants when renewing the licences of individual power plants. However, under current limited electricity supply sources, we suggest financial penalty clauses shall be incorporated into the future SCAs with power companies for non-conforming emission. Overall, the directions to regulate by legislation environmental emissions in the production of electricity and adoption of additional measures to minimize the costs to consumers in meeting the emission targets and promote energy efficiency and, conservation environmental improvements and use of RE are agreed.

(iii) Economic Regulation

We agree the overall approach of the Government's proposed recommendations in regarding to the economic regulation for future SCAs with power companies. However, as regards the fuel costs borne by consumer, we suggest a more transparent mechanism shall be in placed for the Government to monitor the fuel clause adjustment of power companies by taken into account of factors such as the actual fuel price that power companies engaged with and current level of fuel storage in power companies.



Listates Office (1), 4, 5;

Our Ref : EO/EC/3/L338/06

Your Ref:

Telephone : 2948 6838 Fax : 2948 6121

22 March 2006

Economic Development and Labour Bureau 2/F Central Government Offices Main & East Wings Lower Albert Road Central Hong Kong

Dear Sir or Madam

Views on Consultation Paper on Future Development of the Electricity Market in Hong Kong Stage II Consultation

We would like to express our views on the consultation paper on future development of the electricity market in Hong Kong. Details are as follows:

1. Reliability of Electricity Supply with Affordable Tariff

We believe that a reliable supply of electricity is essential to our efficient operation and an affordable tariff is necessary to reduce operation cost and maintain our competitiveness in general.

2. Protection of the Environment

We support the consultation paper on proposed measures to reduce greenhouse gas emissions produced by electricity power generation. This will ensure the sustainable development for Hong Kong in future.

3. Use of Renewable Energy Source for Electricity Supply

We support the view on the use of renewable energy source for electricity supply despite the topographical constraints and limitation in Hong Kong. We believe this is the right step forward for our future.

4. Establishment of a Competitive Market for Electricity Supply

We support the gradual movement towards establishing a more competitive market including possible new supply source from the mainland. This will help maintain efficient service and reasonable price of electricity.

5. Reliable Supply Grid Network for Electricity Distribution

We believe that an effective mechanism shall be established to ensure the supply grid network system be continually developed and properly maintained after the opening of electricity supply market to avoid the bitter experience in the United States.

Yours faithfully

LC Lam

Director of Estates

LCL/KC-



多磁工程師學會 THE HONG KONG INSTITUTION OF ENGINEERS

查语额线温记利佐治检:助金芒利9字模 3/F is and Beverley, No.1 Great George St, Causeway Boy, Hong Kong 感節fel +852 2895 4446 - 德克Fax +852 2577 7791 hkie-sec@hkie.org.nk - www.hkie.org.nk

By mail and by fax at 2123 9438

30 March 2006

Economic Development and Labour Bureau Central Government Offices Lower Albert Road Hong Kong

(Attn: Mr George LING)

Dear Mr LING

Consultation Paper on Future Development of the Electricity Market in Hong Kong Stage II Public Consultation

Thank you for your letter of 30 December 2005 inviting the HKIE to give comments on the captioned subject.

The Institution had organised a forum inviting representatives from the Economic Development and Labour Bureau, the two power companies, and other interested parties to give views on the Consultation document. Together with expert views received from our members, a submission has been made to the LegCo Panel on Environmental Affairs upon its invitation. We are pleased to enclose herewith the same submission as set out in the attachment for your consideration.

Thank you for your kind attention.

Yours sincerely

Monica YUEN (Mrs)

Secretary V

MY/al

The HKIE Views on the Consultation Paper on Future Development of the Electricity Market in Hong Kong - Stage II Consultation -

Introduction

1. The Hong Kong Institution of Engineers (HKIE) had organised a Forum on the Consultation Paper (Paper) with representatives from the Economic Development and Labour Bureau, the two power companies, and other interested parties invited to give their views on the subject. Together with expert views received from members of Divisions, the HKIE is pleased to submit this paper for the Administration's consideration.

Policy Objective

- 2. The objective of the Government's energy policy (Objective) for the future electricity market stated in the Paper is "to ensure that the public can enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimise the environmental impact caused by the production and use of energy".
- 3. The HKIE agrees that this Objective is commendable and of paramount importance. The followings are to examine in some details how the above Objective could be achieved.

General

- 4. The Paper Includes many proposals, seemingly almed to achieve as many aspirations as desirable or demanded by various stakeholders collected during the Stage I Consultation. The HKIE believes that it is not meant to accomplish all proposals simultaneously to their fullest extent as strict execution on some of them without due consideration of others, would be contrary to a coherent implementation of the underlying Objective.
- 5. The market operates under the present arrangement is not an open one but it cannot be said that most of the issues covered in the Objective are not being met. Not withstanding that, the public argues that reduction of tariff would be possible under a new agreement if rates of return allowed are also reduced. Secondly, the public perceives that the two operators are the principal culprits of

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的關立證面場的 THE HONG KONG INSTITUTION OF ENGINEERS

emitting pollutants and should be required to contribute more in combating the deteriorating environment.

5. In reality, the Paper does not propose a fundamental change to the philosophy of the present Scheme of Control Agreement (SCA). A similar arrangement is to be extended for a period of 10 plus 5 years but with reduced rates of return and topped up with more stringent criteria and control on emission.

Reliable Energy Supply

- 7. The reliability of a power system is the ultimate performance in a cascade of many factors, from planning, design to operation and measures taken to minimise extraneous risks. Individual alteration of one factor does not necessarily increase or decrease the overall reliability in the same proportional magnitude. Reliable supply is affected by summation of complex scenarios. The worst scenario is lack of investment. The HKIE would like to point out that the duration of regulatory period together with the permitted return are fundamentals to attract investment to maintain the desirable level of supply reliability.
- 8. The fuel type chosen, or rather the combination of such, for generation is one of the primal factors to ensure stable generation of electrical power. To guard against the risk of fuel scarcity or worse, total supply stoppage, prudence in selection of fuel mix is essential. The Paper does not clearly outline the Government's policy in this area. Further, fuel supply arrangements and associated contracts are often long-term and capital intensive. A shortened period of agreement may discourage needed commitment and hence ultimately affect the stability of power supply.
- 9. Generation capacity with appropriate reserve is another crucial rudiment for reliability. The HKIE agrees with the Paper that it would be prudent at this stage not to predicate the future development of the electricity market in Hong Kong on supply from the Mainland, whether from reliable plants or otherwise.
- 10. At present, the generation capacity and the reserve may be adequate and the HKIE agrees excessive capacity should be avoided. On the other hand, erection of a generation plant would take several years from drawing board to its completion and again, the proposed period of 10 + 5 years would be too short for certainty and may discourage timely commissioning. Coupled with the proposal to increase the present penalty on excessive capacity from 50 to 100 percent, the

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HKIE finds a real risk of eroding reliability should demand grow in a few years' time.

- 11. Stability of the distribution network calls for sound day to day operation and continuous investment. Sufficient staffing with ongoing training is required for operation. Preventive replacement and addition of new equipment to the network cannot be dispensed with. This is another factor crucial to ensure reliability of power supply. Adequate incentives and clear indication of duration for operation are hence essential for the operators to continue the needed commitment. Regulations with penalty to impose a preset level of reliability had been suggested to minimise outage in the Interim. The HKIE, however, cautions that ultimate interconnection with the larger grid in Guangdong would make it difficult to ascertain origin of faults for enforcement.
- 12. A large grid is a double-edged sword. It offers alternative routes for undisrupted power supply or load sharing but at the same time subject to risks of more disruption as more equipment and protective mechanism are involved.
- 13. In expanding the present supply and distribution grid system in Hong Kong, the consistency between the generation and transmission system should be considered. The stability of the transmission system is closely related to the status of load and generation performance and the swift exchanges of information of their latest status for prompt output adjustment. In the US/Canada saga, the affected area and level of disruption could be much reduced should local generation operators were informed in time to make responding contingency action.
- 14. If inter-connection with Guangdong remains as a goal in future, however distant, preparation work should begin within the SAR region as soon as possible. The HKIE does not find concrete proposal from the Paper even on interconnection between the two local operators.
- 15. That said, grid access by others would be vital to formulate the future electricity market.
- 16. Before connecting our smaller network to that of the Mainland, hence exposing to risks of possible lesser power quality and multiple influence from a more massive system of which no data and information area currently available, the HKIE suggests that basic work on technical issues and codes should commence with the new SCA for more experience for the purpose of converging

a successful interconnection operation. The HKIE would also like to point out the existing connection between Daya Bay and CLP system is really more like a dedicated transmission line within the CLP system, a model worthwhile to adopt for medium term solution.

Safe Energy Supply

- 17. The HKIE concurs that safety of electricity supply should remain to be regulated by the existing legislature and codes, both of which are found adequate. Where power plants not registered within the SAR region and where transmission network transcends across the geographical border, the HKIE opines compatibility or jurisdiction issue might have to be addressed to extend our regulating codes to ensure an overall safe supply.
- The HKIE would like to further point out that the public perception on Safe Supply includes the element of an unfalling supply of power to consumers through equipment, associated gears and back up services of good quality. Therefore, safe supply, at consumer level, suggests undisrupted power and is an alter ego of reliability. Where reliability is assured, additional essential supplies for back up purposes would not be critically needed. Since reliability, therefore safety, of the system requires prompt and continuous maintenance, the HKIE considers that the suggestion of less incentive for investment in transmission and distribution would hinder the attainment of this element of the Objective.
- 19. The HKIE is also of the view that safety begins at power plant and its operation. The two operators excel in this regard in term of safety at plant sites. The HKIE proposes other future power suppliers should also meet our safety standards including safety at work places.
- 20. To take the safety issue again back to its association with reliability, the HKIE reiterates a good selection of fuel mix is crucial in this context.

Efficient Energy Supply

21. The efficiency of conversion of other forms of energy to electricity hinges on several factors. The first is the original form of energy, that is, the fuel chosen for conversion. The second is the state of art of the plant and equipment at the time of installation. The third is the routine maintenance and upgrading of fixed assets and human resources. The fourth is the location of load centres.

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- 22. The first two factors would be largely determined at the design stage, albeit subsequent technology advancement could improve the efficiency somewhat. The third factor dermands on-going investments. The last requires an integrated network to bring out its full benefit.
- 23. The HKIE notes that the Paper does not specify whether the efficiency desired would be based on the present fuel mix or a combination to be determined in future. Nor it states whether efficiency of the existing equipment at status quo suffice or subject to future target, aging not withstanding. Nor there is concrete indication that efficiency by load sharing is to be enhanced by interconnecting the present two systems. The HKIE has reservation that an increased interconnection between the two existing operators would be as cost effective as perceived, at least in the short term, because of up-front costs and, more importantly, the absence of load diversity between them. The HKIE, therefore, finds it difficult to comment further on this element.

Reasonable Price

- 24. Reasonableness and price embrace very wide context. Reasonableness is relative and can be subjective. The HKIE would like to refrain commenting on it. Price paid includes cost of opportunity lost, to name one constituent. It is well known to the public that black out causes not only inconvenience but also incurs loss in commercial revenues. It is lesser known that unclean power supply also disrupts.
- 25. The HKIE would like to point out a lower tariff offered from an alternate supply, say from the Mainland, might not be necessarily resulting in a lower price, should the supplying source is to match our prevalent standards.
- 26. Limiting to the Issue of tariff alone, the Paper does not clearly examine this in any details except by proposing several reduced figures for rate of return without explanation on how they were formulated. Perhaps there was a presumption that reduced rate of return at the supply side would lead to reduced tariff at the consumer level, hence more reasonable. The HKIE falls to see that as a nature consequence. A package of different rates of return on different types of assets could distort investment priority and optimal planning of the system as a whole, let alone the associated burden of additional administrative costs on classification and its potential contentions created, all would affect the tariff, if not the price.

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- 27. In Ilne with the Paper, HKIE would like to offer the following for further consideration: That tariff chargeable to end-users can be said to comprise of three categories.
 - a. The first is those volatile element with fluctuating market prices that risk directly taken by the end-users would be more cost effective, ridding the conservative approach likely to be liberally exercised by a commercial entity, for example the present practice of fuel charge variations.
 - b. The second is the guaranteed rate on investment commensurate with the characteristic of electricity market where investment would be massive and system is of long life span to retain the attractiveness of investment.
 - c. The third could be tied to the managerial efficiency of the operators to penalise poor performance or to reward corporate success. Tying to general economic climate may also be considered to reflect no business venture is totally fall-safe and regression proved.
- 28. The electricity infrastructure is very capital intensive which requires a long period for investment recovery, allowing amortisation over a longer duration would lower chargeable tariff during the period, albeit not necessarily at a lower price.

Environmental Impact due to Production of Energy

- 29. Some fuel burns cleaner than others; some cheaper and some more expensive; some more abundant and its supply more reliable. But none comes in a package of all the desirable parameters.
- 30. The Paper sets a cap for emission reduction in percentage but without detailed data for assessment. The Paper sets a date to meet the cap but without delineating whether the cap is the beginning or the end, come 2010 and beyond.
- 31. Emission can be reduced by either switching to different fuels or by commissioning a new plant or by adding reduction devices to the existing ones. The choice of fuel, new plant and technology and the deployment of the proportional mix of these options have to take into account the cost and reliability of the technology, diversification of fuel mix and the economy of abandoning

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of the technology, diversification of fuel mix and the economy of abandoning plant currently in operation. Without a clear energy policy from the Government it would not be possible to strike a balance amongst these factors for optimal planning.

- 32. The HKIE is of the opinion that proposing a different rate of return for emission reduction facilities is not a solution. Equally, the HKIE finds it difficult to understand the proposal of exploring "options to avoid the costs of installing the (emission reduction) facilities being passed onto consumers as far as possible." A higher rate of return effectively passes the costs onto consumers ab initio.
- 33. Environmental improvement creates social benefits. In this respect, the whole society has to accept that there is an additional cost for having a better environment. It appears the Paper anchors the cost to the operators through the continuation of mandatory licensing arrangement vide Air Pollution Control Ordinance which imposes statutory penalty on failure to meet emission level. The Paper also proposes contractual penalty by reducing the allowed rate of return on the same non-compliance.
- 34. The HKIE is surprised to note the suggestion in the Paper: "We have also asked the power companies to use natural gas for power generation as much as possible." Indeed commissioned coal fired units could be converted to gas fired for lower emission, at the expense of efficiency. But there is a danger that existing coal fired units would be shut down, not only because of the difficulty to meet the Cap set for 2010 and the fear to meet those set beyond but also because of the lack of a clear and balanced fuel-mix strategy for the future.
- 35. Immediate supply from the Mainland to gap the shortage is not viable as stated in the Paper to which HKIE agrees. To avoid uncertainty, the HKIE maintains a clear set of goals of progressive targets and dates is essential. The operators should be given sufficient time to meet the emission cap, which have to be technically and economically viable and effectively contribute to improve the air quality on regional basis. The HKIE also maintains environmental regulations should be integrated into the overall energy policy to ensure consistency and compatibility.
- 36. To better protect the environment, the Paper proposes 1 to 2 percent energy supplies would be of Renewable Energy (RE) by year 2012. This proposal is not mandatory. The HKIE realises that the targeted percentage might not be readily achievable but considers more proactive measures should be

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introduced rather than just tempting the operators to consider RE production by incentives, the net economic benefit of which is largely unknown. The HKIE believes the development and use of RE is an overall social commitment of the community and that the costs should be absorbed by the community.

- 37. Wind Farm Is not yet a viable option in Hong Kong considering the magnitude of the size of the farm needed and its obstruction to topography even if venue is available.
- 38. Energy-from-Waste, comparatively, is less obtrusive and has been found satisfactory in other urbanised developments, more so in congested and dense area aboard like Hong Kong. The HKIE believes investment on this alternative supply is not purely for power generation, but also serves as an endowment to improve the environment. It is advisable to explore a timely implementation of application of introducing advanced environmental-friendly incineration plant to treat municipal solid waste with electricity as the by-product.
- 39. Given it lack of operation experience, no allowed rate of return could be accurately set before operation. Availability and collection of waste would also complicate the issue. The HKIE hence suggests either the SCA signatories are asked to operate such plant with cost of production spread across the general tariff or allowing other expert operator to operate and sell back to the SCA signatories. Cost of energy is high but the need of landfill and other measures handling waste diminishes. The HKIE is of the view that these provisions would not compromise the simplicity nature of the SCA.
- 40. Further down the supply chain, Solar Panels could be installed at consumers' premises as commitment to improve the environment. In certain cases grid access and buy back proviso would be necessary. In all events, the gain is not with a lower energy cost.
- 41. Similarly, with advancement in technology other forms of RE may emerge. The HKIE suggests the same philosophy in arrangement of grid access and buy back should prevail. The HKIE finds that the Paper is not committing enough to this cause.
- 42. Some have suggested the future of RE lies with import from the Mainland. The HKIE considers this is not a viable option in the near future as the state of development and extent of availability are not known. The HKIE would like to

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add the output of RE is often fluctuating and largely uncontrollable and therefore not sultable as a primary source of supply.

- 43. To allow RE developing in a healthy and steady manner, the HKIE opines that both environmental and reliability issues must be carefully taken into account. This calls for a holistic and visionary energy policy. To ensure meeting the community aspiration, imported RE should comply with the same prevailing standard of reliability, safety and environmental control. Nevertheless, the need of transmission infrastructure remains the same. Grid access to the present system must be allowed.
- 44. It is now demonstrated grid access to the present system came in two categories. The first is from the consumer level employing RE of which HKIE sees no serious objection from all involved parties in pursuance of a good cause of protecting our environment. The second level is more involved where the third parties would be allowed to make access for business ventures. The scale of the latter is larger and would be more technical involved as explained earlier in this submission.
- 45. The Paper does not actually envisage grid access for open market is imminently viable. The HKIE would like to add where private properties are involved, and exceptional massive in electricity market, the negotiation would be lengthy. The HKIE agrees the underlying principle stated in the Paper that open grid access must be fair and equitable to all parties.
- 46. The HKIE would also like to point out the electricity generation in Hong Kong accounts for about half of emission locally produced. This is about 10 to 15 percent of the total on a worse day the community suffers. The HKIE endorses continual work in reaching agreement to cap emission in River Pearl Delta with Guangdong administration. The HKIE also wishes to reiterate that emission trading with neighbouring regions is still premature.

Environment Impact Caused by the Use of Energy

47. Much has been said in the Paper with proposals to address impact caused by the production of energy but it is noted that the Paper does not propose adequate policies on how to minimise such caused by the use of it. The HKIE considers the pollution emission is the by-product of the energy usage. Every energy user, and not the energy producer alone, shall be responsible for the emission and its reduction.

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- 48. The promotion of RE generation only addresses one side of the pollution problem. Energy conservation and improving efficiency of usage will be equally important in sustaining continuous development. Whilst energy producers should be responsible for enhancing efficiency of the production process, the users should be responsible for efficient use and conservation of energy. Such demarcation of responsibility should be clearly spelt out.
- 49. It is well known the polluting problems faced by Hong Kong and PRD region are not mainly due to power generation in the region alone. Large energy users are also major contributors.
- 50. To address the use of energy, the Paper mentions Demand Side Management (DSM). A successful DSM program would limit the growth of demand and defer the need of new generation facilities. As a result, there is less emission.
- 51. The HKIE considers that the Administration should take up the role to promulgate DSM instead of letting the operators to do the role. Granted, the power companies as a corporation citizen should help to promote energy efficiency to the users, but they should not be held accountable. DSM is actually in conflict with what a commercial entity of power generation would strive for.
- 52. Whether DSM should come with Incentive and/or penalty is Just a matter of methodology. The HKIE opines that it is also paramount to address the issue at the users level, and perhaps more impetus would be needed for those users operating immediately across the border in the region.

The Public

53. The Objective alms to serve the Public In Hong Kong. It is now the Public the HKIE turns to address by relterating its views made in its submission to the Economic Development and Labour Bureau in 2003 to the Administration below:

"Given the importance of the production and use of energy in relation to sustainable development of Hong Kong, It is essential that the Government should have a clear policy direction on energy and the policy must be implemented with good coordination among the concerned Bureaux, Departments and Offices. The Government should study the need of formulating a comprehensive energy policy with the following objectives:

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- a. To ensure a safe, secure, reliable and cost effective energy supply for the HKSAR's economic prosperity;
- b. To ensure that supply of energy will be consistent with commitment to a safe, clean and sustainable environment; and
- c. To formulate strategies for energy supply, market monitoring and incentive to provide affordable energy to consumers without unwarranted control to discourage investment of energy suppliers."
- 54. With the forth golngs, the HKIE believes the best interest of the Public will be ensured by attending to the following:
- a. A clear energy pollcy of fuel mlx is essential to secure reliability and stability not only for power generation but also for the community as a whole.
- b. A long-term policy on emission reduction and the use of RE for Hong Kong should be established so that various stakeholders have sufficient time to react and plan for their investment.
- c. It is not realistic to merely call for reducing environmental impact without due consideration of the impact on assuring reliable supply as well as its economic viability. The policies on energy usage and environmental protection must be clear and compatible with each other. A long-term vision is necessary to achieve the aforesaid objective.
- d. The environmental problem is not a local issue. As stated in the HKIE's submission to LegCo Panel on Environmental Affairs in September 2005, the Government should make the best endeavour to ensure that the Mainland could meet the mutual governmental agreed emission reduction targets whilst they are planning to impose stringent emission caps on the two local operators.
- e. In the longer term, if the Government would like to open up the electricity market, a clear vision and careful planning preparation is necessary before introducing the option in the electricity sector. It is important that a long-term policy must be formulated to allow a fair and level-playing ground for the existing and new players.
- f. Open market must be across the territories and not segregated. Sultable operational and control mechanism must be employed to ensure supply

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reliability. It should not be Jeopardised by selective trading activities and interests of the smaller customers must not be sacrificed for the benefits of the larger customers, and that the environmental objectives will be fulfilled.

- g. Grid access is prerequisite to an open market, interconnection together with the communication between systems should be studied carefully when the market structure is changed.
- h. Power generation is practically the last major heavy industry remaining in Hong Kong. It has provided opportunities not only for the employment of thousands of jobs but also valuable grooming ground for many professionals in engineering and other practices. This is a totally localised industry with assets and jobs that are not meant to be re-allocated. A disarrayed market, in the short term will put many jobs at risk, and, in the long-term, will deny our professions an opportunity to keep abreast with the international arena. Due consideration of these employment prospects and exposure of acquiring competitive edge for Hong Kong must be taken in considering the future development of the electricity market.
- I. An independent institution to plan, integrate and coordinate the future electricity market as a regulatory body should be set up.

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong



29 March, 2006

Dear Sirs

Stage II Consultation Paper on Future Development of the Electricity Market In Hong Kong

We agree to the Government's policy objectives of reliable, safe, efficient energy supplies at reasonable returns with less environmental impact. In doing so, there should be a balanced mix of considerations amongst the interests of the public, the industry and the investors.

As a customer of the electricity market, we are looking for reliable electricity supplies which charging at reasonable tariff. As a fellow business corporation, continual service improvements by re-investments can only be encouraged by reasonable investment returns and payback period. However, given the unique features of the power industry – capital intensive and long pay-back period, opening the market may not bring out the desired outcome as what have been done for the telecom market and immature opening of the market may discourage re-investments of existing operators.

Besides, the Government should have a vision to set the road map in a much longer term, say 20 years (the proposed SOC length of 10 years is too short). It would be risky to bring in new suppliers in the near future without a clear and well defined road map, but are remunerated by an investment return of below 10%.

We hope our views above could help the Government to map out a conscientious plan for the future development of the electricity market in Hong Kong.

Yours faithfully, For and on behalf of The Hong Kong School of Motoring Ltd

Taurus Leung
Chief Executive Officer



随時事業:各語世界所由不達是中国刘為 138 竟 Head Office: No 138 Sha Tin Wai Road. Siu Lek Yuen, Shatin, New Territories, Hong Kong,





Vincent H C Cheng GBS OBE JP Chairman

Mr Stephen Ip, GBS, JP
Secretary for Economic Development and Labour Room 815
8/F, West Wing
Central Government Offices
11 Ice House Street

13 March 2006

Dear Stephen,

. Hong Kong

Consultation Paper on Future Development of the Electricity Market in Hong Kong – Stage II

As a founding member of the HSBC Group which has operated in Hong Kong since 1865 and as HSBC Group's flagship in the Asia-Pacific region based in Hong Kong, we would like to provide our comments on this very important subject.

1. Reliability is essential

The importance of a safe, reliable and efficient power supply for business cannot be overstated. In a world where we are reliant upon advanced technology-driven banking operations to drive massive volumes of low value transactions, at the counter or at ATMs, or limited volumes of high value, time critical money market and foreign exchange business and where many of our customers interface with us through e-banking, stability of power is to banking non-negotiable. Every facet of our operations, from the simple handling of personal financial services to sophisticated commercial and corporate banking services, from daily record keeping to complex internal control and security systems, all of these are dependant upon a stable power supply infrastructure.

Whilst we do have power supply back-up and other data-loss protection systems, they are only of limited time duration and supports only business critical functions such as our two Data Centres and our Dealing Room operations. Any prolonged power supply failure would paralyse these and our other more general operations and would cause both significant economic loss and considerable customer dissatisfaction — as evidenced every time any of our ATMs or our Internet banking system fail. Unexpected power interruption could also result in irreversible data loss leading to the potential for regulatory or legal censure.

In broader terms, a stable power supply is also vital to Hong Kong as an international business, commercial and financial centre. We have been fortunate to have had a highly reliable power supply infrastructure over many decades and this has certainly helped attract foreign investment and has kept Hong Kong ahead of its competitors in the region.

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The Hongkong and Shanghai Banking Corporation Limited Head Office: 1 Queen's Road Central, Hong Kong Tel: (852) 2822 1111 Fax: (852) 2868 0244 Telex: 73205 HSBC HX Telegrams: Hongbank Hongkong

2. Foundations for Reliability

We recognise that a dependence upon the reliability of any service must always come at a price. Any regulatory model governing infrastructural provision of services, the power sector included, must ensure that sufficient investment incentives and regulatory certainty are provided to providers given the typically large-scale and long-term investments required. These fundamental elements are needed to guarantee that adequate investment is made in order to provide a continuing high quality service – the alternative can only be a public sector ownership of such assets – not something with which Hong Kong is familiar.

3. Reliability cannot be compromised

A stable power supply is very easy to take for granted.

Unlike much of the rest of the Asia Pacific region, Hong Kong has not had to suffer issues arising from major black-outs or brown-outs for over 40 years. However as an organisation, power outages are an every day challenge for some of our offices in China, India and the Philippines where unstable electricity supply is a social issue. .

4. Any change to a system that has worked well should be carefully considered

In the Stage II Consultation Paper, the Government has proposed a number of changes to the current Scheme of Control which has to-date served Hong Kong well. These changes have been proposed with the best of intentions. I sincerely wish that the new scheme would strike the right balance between suppliers and consumers and provide reliability and efficient supply of electricity to Hong Kong.

May I wish you a successful consultation.

Yours sincerely

Vincent

"Tony Henderson"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 20:10

To Economic Development and Labour Bureau,

As a Hong Kong organisation and citizen, I am very much concerned about the air pollution caused by the power stations and everything else. I strongly request that the government to get a better grip on the electricity market, so as to restrict pollution caused by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I-We thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not low quality incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We ask the SAR government to set up a clear energy saving targets;
- 5. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint for alternative energy procurement.

Please return to us the blue sky and clean air.

Sign: the humanists



To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Response Paper from the IEE Hong Kong
Urgent Return Receipt

Dear Sir / Madam

Please find enclosed the response paper for the Consultation Paper on Future Development of the Electricity Marketing in Hong Kong Stage II from the IEE Hong Kong.

The attached response paper would be sent by courier as well.

Thank you.

Regards Nancy Tai Branch Officer

The IEE Hong Kong www.iee.org.hk

The IEE Hong Kong Suites 2012-2014 Jardine House 1 Connaught Place Central Hong Kong

T+852 2778 1611



F+852 2778 1711 IEE Response Paper - Electricity Market Stage II.pdf



Consultation paper on Future Development of The Electricity Market in Hong Kong – Stage II Consultation Respond paper by the IEE Hong Kong

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1. Overview

The IEE Hong Kong (IEE HK) was invited by the secretary of the Economic Development and Labour Bureau on 30th December 2005 to give feedback for the second stage of the public consultation on the future development of the Electricity Market in Hong Kong. A Working Group was set up and responsible to compile, on behalf of the IEE HK, the respond paper. The paper is compiled by the Working Group by taking into account the views of the members and discussed in the IEE HK Branch meetings.

In this second stage of consultation, the IEE HK still maintains the same views as the stage I consultation in many areas such as the policy objectives, scheme of control agreement (SCA) and the future electricity market development. There are, however, additional views from members on the proposals which appear only in the stage II Paper.

IEE HK considers the main concern facing any change in the electricity market is on the ability to maintain reliable, safe and efficient energy supplies in Hong Kong, whereas the SCA between the Government and the power suppliers should be able to regulate the price for electricity at reasonable level. Should there be new supply sources introduced into Hong Kong, IEE HK considers that the existing standard of reliability and safety of power supply should not be compromised and all the power suppliers either in Hong Kong or cross the border should be subjected to the same governance and conditions of the SCA.

IEE HK agrees with the proposal that Hong Kong should prepare the ground for possible new supply sources from the Mainland. However, it is equally important for the Government to be able to show a road map for the electricity market in Hong Kong and propose a long term energy policy to the general public and the power suppliers. The road map and long term energy policy would enable all stakeholders to consider all the related issues, such as the open access mechanism, fuel mix policy, standard of emissions and the economic arrangements etc, as a whole.

The road map, long term energy policy and the proposed 10+5 years regulatory period, would also allow the power suppliers to consider all the adverse impacts to their investments because investments in electricity market is a long term and capital intensive business. However, the Paper has not addressed this issue. Furthermore, clear criteria for granting the additional 5-year period should be established in order to avoid unnecessary estimated

risk in the capital planning.

IEE HK supports the proposal to provide incentives to encourage use of Renewable Energy (RE) and its connection to the grid. However, as stated in paragraph 2.11, it should be made clear to the public that the use of RE is mainly for environmental protection due to the topographical constraints in Hong Kong rather than for cost effective objective.

2. Views on the consultation paper

2.1 The Policy Objectives

The IEE HK supports the Government's policy objectives of ensuring that the public can enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimize the environmental impact caused by the production and the use of energy.

2.2 New Supply Sources

2.2.1 Supply from the Mainland

In the foreseeable future, it is understandable that there would not be much "extra" power supply importing to Hong Kong from the Mainland, especially inform the Guangdong area, due to the tight power demand situations and lower reliable supply in that market. Supply from the Mainland is only feasible when the supply is sufficient and become reliable. Nevertheless, IEE HK agrees that the Government should continue to monitor closely and explore the opportunity of importing supply from the Mainland as a long term policy.

Paragraph 2.3 of the Paper stated that the electricity supply in Hong Kong is an open market. However, due to topographical and size constraint of the Hong Kong land space, the two existing electricity suppliers are operating their own power generation, grid transmission and distribution system exclusively, hence the market in Hong Kong is actually very different from the open market in other part of the world, where generation and grid are operated separately. The major concern is that the Paper has not shown the road map for the electricity market and long term energy policy beyond the renewal of the current SCA. Because through the road map and long term energy policy, the Government would be able to roll out the whole picture of the electricity market and draw the attention of the general public and the power suppliers to the related and important issues such as the importance of the policy objectives, the use of RE, the financial and environmental impacts, how the electricity market is to be opened, what are the options or models for the open market, what are the pros and cons under such market as comparing to the existing market in Hong Kong, and what experience gained from the

open market in other countries.

IEE HK opines that the Government should establish a road map and a comprehensive long term energy policy setting a concrete framework on the future development of the electricity market and addressing all the related issues as a whole. The policy should set up a timeframe and provide a fair platform for both the current and potential suppliers to compete for the electricity market and, most importantly, without compromising the policy objectives.

IEE HK, however, does not support allowing new supplier (especially from outside Hong Kong) to supply to selective consumer(s), such as a single or a few large consumers, because this will create unfairness on choice to other majority consumers, and also an unfair competition to the current suppliers who, under the current Electricity Ordinance, have basically no choice of consumers.

2.2.2 Renewable Energy (RE)

IEE HK supports the introduction of RE in the future electricity market but the objective should be on environmental concern rather than on lowering the energy cost because the topographical constraints in Hong Kong would inevitably render higher energy cost from the use of RE than the conventional sources (fossil fuel, oil, hydro and nuclear).

IEE HK opines that the Government should take the initiatives in promoting the use of RE such as providing financial incentives and land use for RE, and involving not only the power suppliers, but also the demand side, i.e. the consumers, because safeguarding our environment is the duty of Hong Kong residence. The wider use of RE in the consumer side would result in less demand on the electricity generation and hence reduction of emission.

Among all potential RE applications, IEE HK considers that energy-from-waste is the most feasible method and has higher economic benefit for Hong Kong environment. Hence it is suggested to start more study and investigation on this approach together with the resumption of incineration for handling the inadequate waste landfill problem so as to achieve double benefits.

2.2.3 Arrangement to Cater for New Supply Sources

2.2.3.1 Grid Access

IEE HK agrees that the Government should establish a set of specifications for grid access which cover the codes of conduct (stating clearly the responsibility and accountability), technical standards and requirements for the connection, liability, charging mechanisms and dispute resolution. The specifications should ensure fairness to both the grid owners and users, compatibility with the entire power system and the safe and reliable operation of the power grid. In addition, a set of performance standards should be established such that the reliability performance of the grid users can be monitored.

Again the grid access by third party to the two exiting power grids should not undermine two of the policy objectives i.e. reliability and safety of the electricity supply. The unknown status, such as the time and the amount of power injecting into the grids, of the third party would cause over stressing on the system design and incorrectly tripping of the protection devices. These two causes can lead to system wide power failure and should have measures to avoid such causes. Impact analysis for third party access should be carried out and trials, if practicable, should be conducted to ensure the reliability and stability of the power grid.

References should be made to the countries, which allow grid access by interested parties to the power grids, and gain the experience from the free grid access overseas. In addition, the arrangement on supply from the Daya Bay Nuclear Power Plant is also a kind of successful reference.

2.2.3.2 Increased Interconnection

The existing interconnection between CLP and HEC is for mutual backup purpose; the Government should consider the extent of the increased interconnection. Increasing the interconnection between the two companies will require additional investments on equipment and network installations; the additional costs should be justified by the benefits that can bring from the

increased interconnection. On the other hand, the benefits that can bring along from the increased interconnection between CLP and HEC include reduction of the reserve capacity for the two companies, and, through better coordination on generation planning, achieving an optimal emission reduction.

The Government should assess what Hong Kong can benefit from the increased interconnection with Guangdong and ensure that the technical infrastructure for the power import can be built and that an agreement with Guangdong to cover the technical, financial, environmental and regulatory aspects.

If interconnection with Guangdong is going to be implemented, the demand from Hong Kong should become part of the Guangdong power planning and the policy objectives should apply to both sides of the border.

All in all, the financial benefits generated from the increased interconnection should not over-ride the policy objectives.

2.3 Proposed Regulatory Arrangements

2.3.1 Safety

IEE HK supports that the current practices on the safety in power supply and use of electricity should be continued and regulated by legislation.

2.3.2 Environmental Regulation

IEE HK supports that the Government should continue to regulate the environmental emissions in the production of electricity by legislation and by mandatory licensing arrangements.

In formulating the long term energy policy, the EDLB should coordinate closely with ETWB which has jurisdiction on environmental issues.

The Air Pollution Control Ordinance should be part of the long term policy such that power market suppliers would be better prepared in their business plans.

2.3.3 Economic Regulation

The Government should continue the economic regulation of the electricity market by reaching a legally-binding bilateral SCAs with the electricity suppliers and the agreement should base on the spirit of the policy objectives.

2.3.4 Regulatory Instrument

For the proposed 10+5 regulatory period, IEE HK suggests the Government to address more if there have been consideration or assessment of any potential adverse effect to investment incentive due to a shorter regulatory period. Furthermore, IEE HK considers that the Government should work out a set of clear and transparent criteria for granting the extension period of the new SCAs so that the power companies could make reasonable assessment on the risk of their investments.

Paragraph 2.38 line 5 states "... unless a review to be conducted towards the end of the term indicates that the prevailing market conditions are such that continuing economic regulation by a bilateral agreement approach is no longer appropriate." IEE HK has reservation on this approach. The Government should establish a road map for the electricity market and long term energy policy as early as possible. Any potential options of changes after the renewal of the new SCA should also be studied and stated, such that current and potential power suppliers can make their own plans based on the clear and long term conditions set by the Government because investment on electricity market needs a long investment cycle. For long term planning, over-estimated or under-estimated risk is not favourable to the maintenance of reliability of electricity supplies.

If the Government considers an open electricity market is the future plan for Hong Kong and opening the market is not feasible before 2008, the Government should have a concrete timeframe in mind by which the electricity market will be opened for third parties. The two power companies are private companies and will most likely continue to operate in the open market as long as they can make reasonable returns from and long term planning for their investments.

IEE HK considers that, besides the length of the regulatory period, the ability of the Government to monitor and control the changes or adjustment on tariff is of more concern by the consumers.

IEE HK supports the idea of making interim reviews on the tariffs and the rate of return. However, the Government should be able to justify the interval required for the reviews such that the reviews are fair to both the consumers and the power suppliers. Of course, the reviews on the tariffs and the rate of return should not be conflicting with each other or causing double benefits to the consumers or double penalties to the power suppliers.

2.3.5 **Return**

IEE HK supports that the return should be determined in such a way that it would be fair to the power companies whilst customers are paying reasonable tariffs. The use of ANFA to calculate the return to the power companies is considered acceptable and that the return rate should base on pre-determined adjustment mechanisms.

IEE HK supports the proposal that emission and environmental effect from power plants need to be improved and handled immediately with the renewal of licenses in order to meet the target set in the 2005 Policy Address.

IEE HK supports that financial incentives should be introduced to the power companies for improving their performance in energy efficiency and conservation, and encourage them to use RE for electricity generation.

The Government should make it clear how the 4-teired rate of return is to be implemented because all assets within an organization are being utilized under the same regime and should, supposedly, be subject to the same return.

The Government should carefully consider will an excessively

stringent penalty mechanism with all the risk of excessive capacity borne by the power companies may result in under investment to avoid penalty which ultimately affect supply reliability and availability. The current risk sharing regimes seems to be a reasonable approach.

2.3.6 Tariffs

IEE HK supports tariffs should make references to the pre-agreed costs adjustment factors and be transparent to the public.

The Government approval prior to all tariff adjustments should be determined based on pre-agreed costs adjustment factors rather than on political consideration.

2.3.7 Institutional Setup

current institutional setup for economic, safety environmental regulations undertaken by various Government bureax and departments should be maintained and under regular The need to set up a separate regulatory authority is linked reviews. to the questions of how and when the electricity market will be opened. It is agreed that a separate regulatory authority is required for working out a regulatory framework for grid access and addressing technical and economic issues related to increased interconnection. Should a separate regulatory authority be required, the Government should ensure that the authority will coordinate closely with the EDLB and ETWB or relevant parties for an effective operation.



"The Kelly Yang Project Limited"

28/03/2006 11:56

To: <electricitycommentstage2@edlb.gov.hk>

CC

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign:			-				



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Our Ref Your Ref Direct Line PA0005/07/103987

THE

13 February 2006

Mr. Jonathan McKinley Economic Development and Labour Bureau Government Secretariat Central Government Offices, Lower Albert Road Hong Kong

Dear Mr. McKinley,

Hong Kong's Competition Policy Re:

I attach the Law Society's response to the Consultation Document.

Please acknowledge receipt.

Yours sincerely,

cc

Director of Practitioners Affairs e-mail: dpa@hklawsoc.org.hk

Working Party on Hong Kong's Competition Policy

Vice-Presidents



Public Consultation Document

"Promoting Competition – Maintaining our Economic Drive"

Law Society's Replies to the Twenty Key Questions

Introduction

The Law Society established a Working Party, inter alia, to consider the Competition Policy Review Committee's June 2006 Report on the Review of Hong Kong's Competition Policy and the Economic Development and Labour Bureau's November 2006 public discussion document entitled Promoting Competition – Maintaining our Economic Drive.

There are divergent views about the wisdom of introducing a competition law to regulate business activity. Certainly, a competition law on its own will not create a competitive environment. Many argue that since Hong Kong is a free and open economy with few entry barriers, companies are already free to compete. Smaller companies fear that the inherent bureaucracy and cost of compliance with a competition law will increase the cost of doing business. On the other hand, the small size of the market means that some sectors are dominated by a few big companies, which may not in fact be acting anti-competitively. Economies of scale and efficiencies inherent in certain so-called natural monopolies, as well as the legitimate exercise of intellectual property rights, could well be in the public interest.

Although the view of the Working Party is that Hong Kong should have a competition law, it needs to be properly designed so as to recognize the above concerns (concerns which are indeed felt by individual members of the Law Society and by clients). Supporting the idea in principle does not mean that the law should be unfettered or exercised in a heavy handed way. It should not interfere with existing practices unless shown to be anti-competitive and not in the public interest. It should not be designed to force, but to reinforce and encourage Hong Kong's existing competitiveness. To this extent a competition law should be cross sector target, possible anti-competitive behaviour in the market (such as price fixing, bid rigging, market allocation, sales and production quotas, joint boycotts, unfair or discriminating standards) and abuse of dominance rather than the existence of certain markets or dominance as such.

Currently there is a lack of hard evidence of anti-competitive activity in Hong Kong though it is suspected in certain areas of business. A particular advantage of introducing a competition law is that it will enable the detection of anti-competitive activity and the collection of evidence of anti-competitive behaviour, whilst a leniency policy will encourage whistleblowers to uncover cartels. More positively, the beneficial results of introducing a competition law have been demonstrated in

the telecommunications market resulting in enhanced consumer choice, increased innovation and reduced prices.

Question 1 Does Hong Kong (HK) need a new competition law?

- 1.1 Hong Kong does need a new competition law.
- 1.2 At present, Hong Kong law does not provide a meaningful or, for most sectors of the economy other than the telecommunications sector, any regulatory framework for ensuring that Hong Kong's economy regulates anti-competitive behaviour. In an increasingly globalized world economy having a suitable regulatory framework for addressing abuses inflicted as a result of market participants having a degree of dominance in their respective industries is generally regarded as being an important element of economic performance. Hong Kong's relatively small size makes the need for an effective competitive law important if Hong Kong is to continue to flourish in an increasingly globalized economy.
- 1.3 The World Bank and the Organisation for Economic Cooperation and Development (OECD) have described the nature of competition in a market-based economy as: "forcing firms to become efficient and to offer a greater choice of products and services at lower prices".

 The statement highlights the twofold effect of competition to both businesses and consumers, resulting in an overall benefit on the economy and its participants as a whole.
- 1.4 The British Chamber of Commerce believes that "fair competition is one of the keys to a good environment for investment as it gives impetus for continuous improvements in products and services".²
- 1.5 There has been a significant transformation of economic activities in Hong Kong in the past two decades, from manufacturing to a service industry. According to the Hong Kong Institute of Economics and Business Strategy (HIEBS)³, nominal GDP contributed by total services increased from HK\$90.7 billion in 1980 to HK\$1050.4 billion in 1997 and the percentage share of nominal GDP contributed by services increased from 67.5 percent to 85.2 percent, while the corresponding figure for manufacturing decreased from 23.7 percent to an estimated 6.5 percent in the same period. The Hong Kong Trade Development Council's Economic Forum believes that "a lack of competition would strangle Hong Kong. Without competition, there will be less pressure to improve."
- 1.6 Without relevant competition legislation in Hong Kong, there will be no procedure by which businesses engaging in anti-competitive conduct can be directed. This would have the effect of impairing the economic efficiency of the economy.
- 1.7 HK has a small market economy and it should be noted that whether and how firms compete will be a matter of the natural conditions of the market. According to Michal Gal⁵, a "key

¹ "A Framework for the Design and Implementation of Competition Law and Policy": World bank and OECD, November 1998 (pg 2 Promoting Competition discussion document)

² The British Chamber of Commerce's Thinking on the Need for a Competition Law for Hong Kong - Jo Wilson 31/08/2006

³ HIEBS working paper, 'HK: From an Industrialized City to a Center of Manufacturing-Related Services' – Zhigang Tao & YC Richard Wong, based on "An Economic Study of HK's Producer Service Sector and its Role in Supporting Manufacturing" (http://www.hiebs.hku.hk/working_paper_updates/pdf/wp1022.pdf)

⁴ http://www.tdctrade.com/econforum/sc/sc060801.htm

feature of small economies is the concentrated nature of many of the markets. Any new competition policy should therefore be designed to deal effectively with these unique obstacles to competition."

- 1.8 Another persuading factor towards the introduction of a new competition law in Hong Kong is the trend towards global harmonisation of competition policies.
- 1.9 The two sectors of Hong Kong's economy which have existing competition regulations are telecoms and broadcasting. It is widely accepted in the market place that both sectors have benefited from the existence of such competition laws.
- 1.10 The Law Society agrees with the arguments set out in paragraphs 45 and 47 of the Discussion Document.

Question 2

Should any new competition law extend to all sectors of the economy, or should it only target a limited number of sectors, leaving the remaining sectors purely to administrative oversight?

- 2.1 The new competition law should extend to all sectors of the economy.
- 2.2 In addition, it would be inefficient and very difficult to legislate on a sector by sector basis. Current reports by COMPAG are often submitted without all data as currently there is only a requirement of businesses to 'co-operate'. This will lead to difficulties about defining specific sectors and limitations when deciding what sort of anti-competitive provisions should apply to which sectors.
- 2.3 Difficulties of defining individual sectors

As technology advances and businesses develop there is often overlap between business sectors. It would be very difficult to determine, for example, what comprises the "retail" sector. For practical purposes, it would be problematic to break down sectors to try and establish which particular regulation is to apply to each. Attempting to do so could well have the effect of frustrating the implementation and application of the new competition law.

There is also often vertical and horizontal overlap between business sectors (e.g. bundled services) which may prove difficult to properly regulate through sector specific regulation.

2.4 Remaining sectors should not be left purely to administrative oversight

The argument for legislating for competition only in the sectors where competition is felt to be an issue of concern raises, among other problems, the issue of dealing with other sectors if and when a competition problem were to arise. With a universal "cross-sector" approach the cost, time and delay of implementing new legislation each time a competition issue arose would be avoided.

If a business that is regulated in a particular sector deals with one that is not subject to regulation this could also be a problem.

 $^{^5 \} Competition \ policy \ for \ small \ market \ economies - Michal \ S. \ Gal \ (ISBN: \ 0-674-01049-3 \ / \ 0674010493)$

2.5 Different regulators for different sectors

If there are regulators for each sector this could be an inefficiency of resources. The Law Society is of the view that it would be more efficient and practical to have a single regulator addressing all sectors of the economy.

2.6 Additional issue

The existing telecoms legislation is very oddly drafted and, if there is going to be general competition legislation, the Law Society would advocate the application of the same legislation to all sectors. This does not preclude there being additional sector specific regulations of a non-competition nature.

Ouestion 3

Should the scope of any new competition law cover only specific types of anti-competitive conduct, or should it also include the regulation of market structures, including monopolies and mergers and acquisitions?

- 3.1 The new competition law should certainly cover conduct related issues. See the response to Ouestion 4 below for further details.
- 3.2 The question of whether the new competition law should also infringe on market structure issues such as merger control is more debatable. This is in part due to the nature of the political and economic environment in Hong Kong which has always favoured less government intervention in the management of the economy compared to other developed economies.
- 3.3 One of the perceived problems with introducing a competition law with merger control is that it will not address the large number of sectors which are already dominated by a monopolistic supplier or small group of oligopolistic suppliers. Unless (and it is not suggested here) it is intended to break up these existing monopolies/oligopolies it would be inequitable and potentially counter productive to restrict mergers generally.
- 3.4 On balance the Law Society is of the view that the new competition law should not introduce merger control. However, it would be open to include a merger control regime in the legislation but not make it effective unless/until it is required at a later date. There is precedent for this application in other legislation (e.g. the Personal Data (Privacy) Ordinance). For completeness, arguments in favour of a merger control legislation are set out in paragraph 3.5-3.7 below with some additional comments on merger control legislation in 3.8.
- 3.5 Evidence can be drawn from the telecommunications legislation in Hong Kong. Competition provisions have been in place since June 2000 in the Telecommunications Ordinance (Cap 106, ss.7 I-N, s.35A, ss.32 N-R and s.36C). Subsequently new provisions relating to mergers were inserted by virtue of the Telecommunications (Amendment) Ordinance 2003. The reason for the new provisions was that the government recognized the existing provisions to be inadequate as regards to certain types of anti-competitive behaviour. The Telecommunications Authority (TA) had the power to regulate acquisitions and mergers only through license conditions. The limitation was the TA only had the power to regulate if the transfer of license, or under some licenses, transfer of shares in the licensee, was involved. In a brief of the bill to LEGCO, the government recognized that "mergers and"

acquisitions nowadays often do not involve such transfer as the activities may take place at the holding company level. The legislative framework for regulation of merger and acquisition activities in the telecommunications market is therefore unclear".

- 3.6 An argument in support of any new competition law including the regulation of market structures (including monopolies and mergers and acquisitions) is illustrated by the government having to amend the Telecommunications Ordinance specifically to address the issue described above. Inevitably market structure will have a role to play in business competition. Mergers and acquisitions do play a large part in anti-competitive conduct, although maybe not to the same extent in Hong Kong as in some other markets (for example, see Chicago Bridge & Iron Company acquisition of Pitt-Des Moines Inc, ruled anticompetitive by the FTC)⁶.
- 3.7 Another argument in support of extending the scope of any new competition law is that of a preventative nature. Businesses and professional advisers will prefer to seek advice before undergoing a transaction to ensure there will be no fear of regulatory risk at a later stage of the transaction. Advice can then be sought as to the tests and procedures that would be followed in assessing relevant transactions and comfort can be given to an acquirer that there will be no competition objections to any proposed merger. Including regulation of market structures in the scope of any new legislation would provide clarity, therefore decreasing the uncertainty for normal merger and acquisition activities.
- 3.8 If merger control legislation is introduced, the Law Society is of the view that the legislation should provide the regulation with power to intervene but should not require mandatory notification. In effect, this is the UK model and not the more bureaucratic EU model.

Question 4

Should a new competition law define in detail the specific types of anti-competitive conduct to be covered, or should it simply set out a general prohibition against anti competitive conduct with examples of such conduct?

- 4.1 The Law Society is of the view that the competition law should contain a general prohibition (broadly defined) against anti-competitive conduct with a non-exhaustive list of types of conduct (including those set out in the Consultation Paper) which will be deemed to be anti-competitive unless the contrary is established on the facts of a particular case. By including a list of anti-competitive conduct (i) market participants are put on stronger notice as to forms of conduct that will be unacceptable; and (ii) there is less scope to frustrate the competition law through technical arguments as to whether a particular form of conduct is anti-competitive. The legislation should make it clear that the list is not exhaustive.
- 4.2 From a legal perspective, there are many instances of legislation which have purported to be exhaustive in defining what forms of activity are permitted or prohibited or otherwise subject to regulation. Such pieces of legislation have a history of being problematic in that they create an environment where persons affected by the legislation structure their affairs, or take views to the effect that, they fall outside the scope of the legislation (or inside it where that is the preferred outcome). The result is, inevitably, that a considerable amount of effort goes into evaluating on technical construction grounds whether a particular action falls within or outside a particular piece of legislation instead of considering whether the conduct is of a type which ought to be subject to the legislation. In effect, using the

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⁶ Federal Trade Commission Article (www.ftc.gov/opa/2005/01/cbi.htm)

- exhaustive list approach results in an emphasis on legislative technical construction rather than a pragmatic purpose based approach being adopted when the legislation is implemented.
- 4.3 In addition, legislation affecting the conduct of businesses which is overly rigid in its drafting very often fails to keep pace with developments in the way business is conducted. The predecessor legislation to the current Securities and Futures Ordinance serve as examples of this.
- 4.4 The model currently adopted under the Securities and Futures Ordinance which gives the regulator the power to issue guidelines has proved to be both useful and practical. The Law Society is of the view that giving a competition regulator the power to issue guidelines would be beneficial.

Ouestion 5

Should a new competition law aim to address only the seven types of conduct identified by the CPRC, or should additional types of conduct also be included, and should the legislation be supported by the issue of guidelines by the regulatory authority?

- 5.1 If additional types of conduct which would generally be regarded as anti-competitive can be identified, then it would be appropriate to include them in the non-exhaustive list of examples in the new legislation. The legislation should make it clear that the list is not exhaustive.
- 5.2 The Law Society is of the view that providing the regulator with the power to issue guidance notes (but not having the effect of amending the legislation itself) is both appropriate and practical.

Question 6

In determining whether a particular type of anti-competitive conduct constitutes an infringement of the competition law, should the "purpose" or "effect" of the conduct in question be taken into account? Or should such conduct on its own be regarded as sufficient in determining that an infringement has taken place?

- 6.1 Paragraph 78 of the consultation paper asks whether the very fact of engaging in certain types of conduct should automatically constitute an infringement. The Law Society suggests that any particular conduct should only be considered an infringement if it is by its nature anti-competitive and also has the purpose and/or effect of preventing, restricting or distorting competition. Moreover, activities conducted without the purpose of preventing, restricting or distorting competition should be considered less culpable and not subject to criminal or quasi-criminal sanctions.
- 6.2 The overriding aim of any competition law in Hong Kong should be to enhance economic efficiency and the free flow of trade so as to reinforce business and consumer confidence. Some activities may be regulated (e.g. the professions) in such a way as to stifle the wrong type of competition (such as from unqualified persons) so is not in itself bad. This suggests that even if the conduct in question may be regarded as anti-competitive conduct, as long as the particular conduct does not affect or restrict economic efficiency or the free flow of trade, it should not be contrary to the aims of any new competition law and accordingly there should be no infringement. Thus, whilst certain historically monopolistic areas of business

(e.g. telecoms and broadcasting) may require help to become more competitive, there would be a danger in taking a "one size fits all" approach to the introduction of a general competition law. An example is the proposed merger of the KCR and MTR. Whilst clearly reducing competition, it has been argued that such a move would improve efficiency and lower ticket prices. So, in determining the "effect" of an activity, consideration should be given not only to objective facts to determine whether a party is acting anti-competitively, but also to economic and other relevant issues to determine whether in fact it is acting in an anti-competitive manner.

- 6.3 Although more resources may be needed if the test for infringement is to include looking at the purpose and/or effect of a particular conduct as compared to a strict liability test, the latter approach may place an onerous burden on businesses. Competition law is a new concept to Hong Kong and it will be necessary to educate businesses as to what is entailed so as to avoid any inadvertent infringement. It will be harsh on businesses if there are strict prohibitions imposed at the outset.
- 6.4 Looking at different competition regimes around the world, it seems that the test for infringement is generally based on determining whether the particular conduct has the effect of restricting, distorting or preventing competition in the market. There are no provisions which provide that certain types of anti-competitive conduct automatically render the entity liable for infringement. Under UK and European competition regimes, there are non-exhaustive lists of examples of behaviour which may be regarded as anti-competitive, but these lists are merely for guidance and the particular facts of the case are looked at to determine whether the effect of the behaviour in question restricts or prevents competition before a decision on infringement is made. The Law Society suggests that the proposed competition regime in Hong Kong be in accordance with international practices and that the purpose and/or effect of the behaviour be considered before deciding whether there is an infringement.

Question 7

Should any new competition law allow for exclusions or exemptions from the application of some or all aspects of the law, and if so, in what circumstances should such exemptions apply?

- 7.1. The competition law should allow for exclusions or exemptions where there is a public policy or economic grounds for not applying the law to certain sectors or in specific cases.
- 7.2 However, providing for too many exclusions or exemptions would likely dilute the effectiveness of the law. It is suggested that exclusions or exemptions should be justified on the ground of "public benefit".
- 7.3 Apart from providing within the main body of the law for certain sectors to be excluded from the application of some or all aspects of the law, the legislation may also provide a mechanism whereby the regulatory body may grant exemptions on the ground of "public benefit". Such exemptions may take the form of subsidiary legislation requiring the vetting of the Legislative Council. Besides, a person may seek exemption from the regulatory body who may consider the application on a case-by-case basis.

7.4 In some cases, Hong Kong statutes, regulations and the common law already recognises situations where public policy or other grounds exist for limiting competition in relation the provision of particular goods or services. Typically these relate to the provision of goods or services where it is deemed to be in the interest of the public to require the providers of such goods and services to be qualified or regulated. The Law Society considers that any new competition law in Hong Kong should not have the effect of overriding Hong Kong statutes, regulations or the common law (whether taking effect before or after the introduction of any new competition law) and the new competition law should explicitly address this point.

Ouestion 8

Which is the most suitable of the three principal options set out below for a regulatory framework for the enforcement of any new competition law for Hong Kong?

- 8.1 The Law Society considers Option 2 to be the most suitable option for enforcement of any new competition law in Hong Kong: i.e. separation of the roles of adjudication by the regulator and enforcement by the courts. By separating the processes of adjudication and enforcement, the operation of the law will be seen to be fairer and more transparent as the courts will act as a balance to the enforcement agency. This will allow the general public as well as businesses to have greater confidence in any new competition law. To this end, the government must allocate sufficient resources to the Judiciary to enable it to undertake the additional work.
- 8.2 The regulator, in any event is likely under any proposed system to have the power to make "cease and desist orders" in respect of any alleged anti-competitive activity. Many cases on this basis may not in fact proceed to formal adjudication by the courts. The regulator would also have power to enter into binding settlement orders. Such orders should be appealable to the courts.
- 8.3 The courts have considerable expertise in applying and interpreting the law, but will not initially have much experience of the concepts involved in adjudicating anti-competitive activities and the principles involved in a pro-competition policy. It would therefore be suitable to have the regulator responsible for investigating suspected anti-competitive conduct and for the results on any investigation to be presented to the courts for determining whether the suspected conduct indeed infringes competition law. In such circumstances, the entity suspected of dealing or engaging in anti-competitive conduct is assured that an objective decision is handed down.
- 8.4 Although the separation of enforcement and adjudication functions under any new competition law will require more resources, the public in Hong Kong is keen on transparency of decision making processes, especially those made by government or quasi-governmental agencies. If the competition regulator deals with both the adjudication and enforcement of competition cases, there may well be objections that this is not sufficiently transparent and judicial review of decisions is likely, quite apart from any allegations of unfair treatment, or procedural irregularity.
- 8.5 Although not directly relating to competition aspects, the courts have already indicated that in the absence of a statutory restriction they have jurisdiction to examine separately decisions of the regulator, e.g. the Broadcasting Authority as in *Hong Kong Cable*

<u>Television Ltd v TVB and Galaxy Satellite Broadcasting</u> (Action Nos. 1171 and 1256 of 2005). However, aside from competition cases brought under the Telecommunications Ordinance and the Broadcasting Ordinance, any proposed competition law will be new to Hong Kong and the courts are well adept to consider new concepts judicially. Moreover, by allocating the adjudication of competition law to the courts, it will allow experience and expertise to be built up in handling such cases.

- 8.6 Taking the example of the Independent Commission Against Corruption (ICAC), the enforcement process (i.e. investigations into suspected corruption cases) is undertaken by the ICAC whereas the adjudication process is overseen by the courts which decide whether the suspected conduct is an infringement of the law. This shows that separating the functions of enforcement and adjudication between different authorities is not an alien concept in Hong Kong and works well in practice.
- 8.7 Some jurisdictions do adopt a single authority to deal with both enforcement and adjudication (e.g. in EU, UK, Jersey and Singapore) but with rights of appeal to the court. It may be argued that since Hong Kong is a small economy, a single authority will allow consolidation of resources and a more simple and streamlined procedure. However, in light of the existing regulatory regimes in Hong Kong and the strong sense of accountability required by the general public, the option of separating the adjudication and enforcement process seems desirable.

Question 9

Regardless of the option you may prefer, should the regulator be self-standing or should a two-tier structure be adopted, whereby a full-time executive is put under the supervision of a management board made up of individuals appointed from different sectors of the community?

- 9.1 The Law Society recommends that the regulator should be self-standing as a single structure without the need for supervision by a separate management board. As there is currently no competition law, any competition regulator to be set up in Hong Kong will be starting from scratch. In order to set up the competition regulator, representatives from different sectors of the community will already be gathered including members from the Office of Telecommunications Authority and the Broadcasting Authority with experience in dealing with competition cases. Given the lack of expertise outside these industries, it would also be advisable to look for those with appropriate experience overseas. On this basis, there is no need for a separate management board which will only serve to stretch or duplicate the limited resources available and encourage greater bureaucracy.
- 9.2 As indicated, on the basis of our proposal to separate the enforcement and adjudication processes, there will be less need for an independent supervisory management board to oversee the activities of the competition regulator. The courts will in effect have the power to oversee these activities in the course of its decision making process.
- 9.3 Further, as long as the competition regulator comprises of individuals from different sectors of the community and, similar to the Securities and Futures Commission (SFC) and the ICAC, is independent from the government, there does not appear to be any need for an additional management board.

- 9.4 The establishment of a separate management board will involve more resources. It may also complicate issues as members of the board may, in some way, be connected with companies or individuals involved in suspected anti-competitive behaviour cases, and thus give rise to conflict which would hinder the work of the competition regulator.
- 9.5 Taking a look at the structure of competition regulators around the world such as in Australia, Singapore and the UK, it is noted that most competition regulators have a self-standing structure without any supervisory management board. It does not appear necessary in these jurisdictions to have a two-tier structure in order to project the image of independence and separation from the government. It thus seems that the establishment of one self-standing competition regulator in Hong Kong will be in line with current international practice.

Questions 10

In order to help minimise trivial, frivolous or malicious complaints, should any new competition law provide that only the regulatory authority has the power to conduct formal investigations into possible anti-competitive conduct?

- We agree that only the regulatory authority (and no other body or private individual) should have the power to conduct formal investigations into alleged abusive behaviour.
- 10.2 The regulatory authority should be open to considering complaints by others as to the behaviour of a party that is alleged to be abusive.
- 10.3 The regulatory authority should not, however, be obliged to conduct a full formal investigation into every complaint it receives. There needs to be a process to weed out complaints that the authority believes to be without substance (or, in the words of the consultation paper, complaints that are "trivial, frivolous or malicious").
- 10.4 We consider, therefore, there should be a threshold which needs to be met before the regulatory authority is obliged to investigate a complaint made to it in relation to abusive behaviour. However, the threshold level should not be set too high. In the UK, section 25 of the Competition Act provides that the Office of Fair Trading (OFT) may conduct an investigation if there are: "reasonable grounds for suspecting" cartel or abusive behaviour prohibited by the Act which is often referred to as the "section 25 threshold". We suggest this will provide a balanced approach, and give the regulatory authority reasonable scope to investigate alleged misconduct, whilst preventing it from being overburdened by an obligation to investigate every complaint.

Question 11

What formal powers of investigation should a regulatory authority have under any new competition law?

11.1 Clearly, once the threshold is reached, and the regulator has commenced a formal investigation into alleged abusive behaviour, the regulator - as any regulator - will require effective investigatory powers to obtain information and to conduct investigations. In order to eradicate abusive behaviour, the regulator needs wide powers to conduct inquiries and investigations.

- 11.2 These powers should include (i) notices requiring the production of documents or information, (ii) the power to enter premises without a warrant, and (iii) the power to enter premises with a warrant. We deal with each of these briefly below.
- 11.3 The regulator should be entitled to give notice requiring a person to produce to the regulator a specified document or specified information (by item or by category) which the regulator considers relevant to the investigation. Such a notice should indicate the subject-matter and purpose of the investigation, and the offences involved in non-compliance (see Question 12 below). The regulator should also be able to take copies or extracts from a document produced and to ask for an explanation of it. If a document is not produced, then the regulator should be entitled to ask why, and as to its whereabouts.
- The regulator should be entitled to enter onto any premises in connection with an 11.4 investigation. Where an officer of the regulator exercises the power to enter onto any premises without first obtaining a warrant from the High Court (the right of "peaceable entry"), that officer ought to be obliged to have the prior written authority of the regulator to so enter the premises and he should produce this on entry, together with a document setting out the subject-matter and purpose of the investigation, and (again) the offences involved in non-compliance. Where the premises being entered is that of the entity under investigation, there should be no requirement to give prior warning or notice, nor of (for example) exhausting other available powers to obtain information before resorting to this power. In other cases, prior notice should be given. Whilst on the premises, the officer should be entitled to require any person there to produce any documents which the officer considers relevant, to advise where a document may be found and require an explanation of any document produced. He should also be entitled to take a copy of a document (or an extract of any document), or require the production of a legible copy of any information held on a computer. However, he would not have the power of search, nor of forcible entry, which would only be exercisable where entry was pursuant to a warrant of the High Court (see immediately below).
- 11.5 The regulator should also be entitled to apply to the High Court for a warrant giving a power of entry to named officers (as well as non-employees such as IT experts who may be able to assist with the investigation). Such a warrant may be issued in certain specified circumstances, and may allow for the use of reasonable force to obtain entry (the right of "forcible entry"). The specified circumstances might include:
 - there are reasonable grounds for suspecting a document that the regulator could obtain by written notice of peaceable entry is on the premises but would be interfered with if it were required to be produced;
 - entry without a warrant for the purpose of the investigation has been impossible and there are reasonable grounds for suspecting documents are on the premises which could have been required if entry had been obtained.

The subject-matter and purpose of the investigation, as well as the offences for non compliance, should be indicated on the warrant. Force may not be used against any person in effecting entry. The officers should have similar powers as when exercising the right of peaceable entry (e.g. to require the production of documents) but also powers to preserve documents/evidence (by, for example taking away originals of documents if necessary to prevent their disappearance).

There will need to be limits upon the use of the powers of investigation - such as to protect privileged communications, and the privilege against self-incrimination, as well as the protection of confidentiality by restricting the disclosure of information obtained during the course of an investigation. Those matters are dealt with elsewhere herein.

Question 12

Should failure to co-operate with formal investigations by the regulatory authority be made a criminal offence?

- 12.1 As the Government's public discussion document notes (at paragraphs 114-115 on page 49), authorities in Hong Kong and competition regulators overseas have formal powers of investigation by which they might require persons to produce documents or provide information; a person's failure to cooperate, when these powers of investigation are invoked, being considered a criminal offence. Similarly, and consistent with the approach overseas and with the position of other regulators in Hong Kong, we consider that there should be criminal sanctions for failing to cooperate with formal investigations by the regulatory authority (which is a different question altogether than whether a breach of competition laws per se should be a civil or criminal offence).
- 12.2 Offences would include failing to comply with any proper requirement of an officer exercising his investigatory powers; obstructing an officer in the performance of his powers; destroying, disposing of, falsifying or concealing documents or causing or permitting these things to occur; and supplying materially false or misleading information.
- 12.3 Provision would need to be made for defences to those offences for example, it might be a defence to a charge that a person had not produced a document for him to show that he did not have that document in his possession or control, or that it was not reasonably practicable for him to obtain it.
- 12.4 The penalties would depend on whether the offence is considered serious enough to be taken on indictment, or whether it can be tried summarily, but either route should be available and the penalties could be substantial in an appropriate case. Usually, penalties would be financial, but in some cases could include imprisonment too.

Question 13

How might a competition regulatory authority deal with the disclosure of information that comes to its knowledge having regard to the need to protect various categories of confidential information on the one hand, and the need to make appropriate disclosure in order to take forward an investigation when the circumstances so require?

The right to require the disclosure of confidential information

13.1 The power to compel individuals or companies to produce information that may otherwise be confidential is one which is commonly given to regulatory authorities or law enforcement agencies. Bodies like the SFC and the TA have the right to issue legally binding information disclosure/ documents production notices. This is an unavoidable result of the need for investigations into alleged criminal or regulatory infractions which almost inevitably involve confidential information.

- 13.2 On this basis, it would be fair to say that if competition legislation is to have any "teeth", then it would be essential for a competition authority to have the power to compel the production of confidential information. Further, the power given should extend to the ability for a competition commission to gain access to documents and information held outside of Hong Kong but to which a person/entity in Hong Kong has rights of access or ownership.
- 13.3 However, as with the powers of other regulatory bodies and law enforcement agencies there should be an express provision in the legislation shielding from disclosure material that attracts legal professional privilege ("LPP"). LPP is a fundamental right (whether at common law or under Article 35 of the Basic Law) that must not be compromised under any circumstances.

Uses of confidential information obtained

- 13.4 It is perhaps trite to say that any confidential information obtained by a competition authority can be used for its own investigations and its own regulatory actions. In relation to the latter, it may be noted that the fact that confidential information may be sensitive for a company does not, for example, prevent its use as evidence in criminal proceedings or other forms of regulatory actions. If the information cannot be so relied upon, then the reasons for any decision made or settlement entered into (both of which would be publicly announced) by the competition authority may become incomplete.
- 13.5 However, there are two areas where the use of confidential information may be less straightforward:
 - 13.5.1 passing on of such information to a complainant in a competition investigation to enable it to respond to any preliminary findings by a competition authority; and
 - 13.5.2 disclosure of information obtained by a competition authority to other regulatory authorities or law enforcement agencies where such information appears to indicate an illegal act that falls within the scope of authority of these bodies.

Disclosure of information to a complainant

- 13.6 A complainant may often be a competitor to the party that is being investigated. On its face, if a competition authority discloses confidential information from an investigated party to the complainant, it might give the complainant an unfair competitive advantage in its business rivalry with the investigated party. This could undermine the very purpose of competition legislation.
- 13.7 Nonetheless, there may be situations where it is in the public's interest for a competition authority to disclose the information obtained from an investigated party to the public (including the complainant). Such provisions are currently found in both the Broadcasting and Telecommunications Ordinances.
- 13.8 In the present context, an investigation may, for example, be launched into parties within a highly specialised industry sector. A competition authority may then receive confidential information from an investigated party which, on its face, does not disclose any anti-competitive conduct.

- 13.9 However, it may be that the conduct indicated by the information may in fact be anticompetitive in the sector in question. In such cases, it might be in the public interest for the information (possibly with highly sensitive information as specific accounting figures redacted) to be made available for all, including the complainant, so that submissions can be made in relation to the information.
- 13.10 Whilst a similar argument for access to information by a complainant had failed in relation to similar provisions found in the Broadcasting Ordinance, it was made in the context of an expert, industry-specific regulator. The notion of "public interest" for the release of confidential information to a complainant may well be wider when applied to a generalist competition authority.
- 13.11 Therefore, it is proposed that a competition authority be given the power to disclose confidential information received by it to the public (including a complainant) subject to a public interest test, and the consultation of the party providing the information.

Disclosure of information to other regulatory bodies

- 13.12 The other main possible use for confidential information collected by a competition authority is whether it can be passed on for use by other regulatory bodies. Authorities such as the SFC and the Hong Kong Monetary Authority ("HKMA"), for example, do have certain rights to pass information collected to another regulatory agency without first notifying the person supplying the information.
- 13.13 On the other hand, in their administration of industry-specific competition regimes, the Broadcasting and Telecommunications Authorities do not appear to have such rights (save for passing information to each other).
- 13.14 The issue, therefore, is which of the two models for handling confidential information as regards other regulatory authorities should be adopted in the proposed competition legislation.
- 13.15 In this regard, we note that it is not currently proposed that competition law infringements should be made criminal offences over which a competition authority would have the power to investigate. This is unlike the SFC and the HKMA, which have regulatory jurisdiction over the investigation of certain criminal acts. Thus, we believe that there is no proper basis for giving a competition authority the power to pass on information to other bodies which may use it for the purposes of a criminal prosecution.

However, should the Government be of a different view and decide to give a competition authority the power to pass on such information, we believe that the information should be subject to the privilege against self-incrimination. This will ensure that the rights of the party giving the information are at least given some degree of protection (namely that the information can only be used by another body for intelligence-gathering purposes and not as evidence against a party).

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 $^{^{7}}$ PCCW Limited v Broadcasting Authority (HCAL 97/2005, 26 January 2006, Reyes J).

Question 14

Should the existing sector specific regulators that also have a competition role continue to play such a role if a cross-sector competition regulatory authority were to be established?

- 14.1 The Law Society is of the view that there should be a single regulator with authority to regulate anti-competitive conduct in all sectors of Hong Kong's economy. If there were multiple regulators this would have the potential to create an unnecessary level of bureaucracy as well as create confusion as to which regulator(s) has (have) jurisdiction in particular cases.
- 14.2 However, the Law Society notes that the existing regulators of the telecommunications and broadcasting spectrum in Hong Kong have similar counterparts in overseas regimes, where there is also competition regulation in force.
- 14.3 The more stringent regime for these two particular sectors may be due to the fact that in Hong Kong and most other jurisdictions, licences are required in order to operate. Broadcasting, in particular, is in the public domain and therefore needs to be regulated carefully. Competition in the UK is governed by the Competition Act 1998 and Articles 81 and 82 of the EC Treaty. However, the independent regulatory body, Ofcom has wide-ranging duties covering various industries, for example, television, radio and wireless communication. Ofcom also has statutory duties under the Communications Act 2003 to further the interests of citizens and consumers by promoting competition and protecting consumers from harmful or offensive material.
- 14.4 Similarly, the US is governed by the Sherman Antitrust Act 1890 and Clayton Antitrust Act, 1914. The Federal Communications Commission (FCC), established by the Communications Act 1934 also acts as an independent agency charged with regulating interstate and international communications by radio, television, wire, satellite and cable.
- 14.5 For the reasons that this sector is monitored more carefully overseas, it would seem practical that the broadcasting sector in particular is individually monitored in Hong Kong, but such monitoring by sector specific regulatory authorities should not exclude the jurisdiction of a general competition regulatory authority.
- 14.6 Even if separate competition regulations are to be maintained for different sectors, they should have the same basic competition rules in order to ensure consistency.

Question 15

Should breaches of any new competition law be considered civil or criminal infringements? What levels of penalty would be suitable?

- 15.1 If any competition law is to have effectiveness, the courts must be able to levy penalties for engaging in anti-competitive conduct that have a sufficiently high deterrent effect. As noted in the consultation paper, such action on the part of the courts can take the form of civil or criminal sanctions.
- 15.2 Given that any law that extends to cross-sector interests to deter anti-competitive would be relatively new to Hong Kong, the Law Society submits that criminal sanctions should be limited. Because perpetrators of anti-competitive conduct may do so without knowing the full implications of the acts, it is submitted that only those who continue to engage in anti-competitive conduct after a cease-and-desist order has been served should be held criminally

- accountable. Others who could be criminally sanctioned should be limited to those who repeatedly and deliberately frustrate an investigation.
- 15.3 If criminal sanctions are imposed, anti-competitive conduct could result in a fine or even imprisonment. However since criminal liability will require the prosecution to prove *mens rea*, there must be evidence to support this, and thus the purpose of any conduct resulting in alleged anti-competitive acts. In any event, the Law Society submits that it would be sufficient to impose fines and other non custodial sentences such as removing the ability of any individuals concerned to be a director of the company engaging in anti-competitive conduct. Imprisonment is perhaps too heavy a penalty.
- 15.4 The regulator could also be conferred with the right to seek remedies through civil proceedings, akin to the powers of the Securities and Futures Commission. The onus of proof in such cases would be less demanding. Nonetheless the remedies could be effective if the range of options includes for example the ability to disgorge profits assessed to have been gained through anti-competitive conduct.

Question 16 Should any new competition law include a leniency programme?

- 16.1 Cartels usually operate secretively and developing information as to their activities could pose a challenge to the regulatory authority. If there is an incentive then a member of a cartel would more likely be willing to come forward with essential information to enable an investigation or even a prosecution. A suitable incentive would be a leniency programme whereby the cartel member that provides relevant information, while nonetheless guilty of anti-competitive conduct, would have a fine reduced or even waived.
- 16.2 The courts should have regard to various factors such as the usefulness of the information provided, the timeliness of the provision of information, the cooperation rendered to regulators in the course of the investigation and whether, and if so how, this company had encouraged others to participate in a cartel.
- 16.3 There must also be consideration of the timing of any anti-competitive conduct. If and when new legislation is introduced, individuals and businesses must be given a reasonable period of time to remove offending elements of what constitutes anti-competitive conduct. A process of education must precede any robust enforcement of new laws, particularly as livelihood issues are involved and criminal sanctions may be levied.

Ouestion 17

Should any new competition regulator be empowered to issue orders to "cease and decease" from anti-competitive conduct?

17.1 The answer to this question must be yes. The new competition regulator should have the power to make the order itself rather than to go to court to get the order so as to avoid delay. There should however be sufficient safeguard in place to ensure that interested parties have the right to review/appeal against that order.

Ouestion 18:

As an alternative to formal proceedings, might any new competition regulator has the authority to reach a binding settlement with parties suspected of anti-competitive conduct?

18.1 The new competition regulator should only have the power to settle with a party guilty of anti-competitive conduct on condition that such party accepts its conduct amounted to anti-competitive conduct. Hence any affected parties could still take legal action on that unlawful conduct. The conduct complained of should either be anti-competitive conduct or it is not. The power to settle should only be given on the basis that the party accepts their conduct is anti-competitive conduct. This could save investigation and judicial time for the adjudication itself without compromising any rights that a 3rd party might have on the anti-competitive conduct. Any decision made by the new competition regulator to settle with a party must be published.

Ouestion 19

Should any new competition law allow parties to make civil claims for damages arising from anti-competitive conduct by another party?

19.1 The answer should be yes. Given that any anti-competitive conduct is unlawful conduct the finding of or the acceptance by the Respondent of that conduct as an unlawful conduct should enable other parties to institute legal proceedings for damages based on such unlawful conduct. We agree with the observation set out in paragraph 131 pf the Consultation Paper that some kind of time limit should be introduced to ensure that legal action could only be taken within a certain time frame.

Ouestion 20

How should any new competition law address the concerns that our businesses, especially our SMEs, may face an onerous legal burden as a result of such civil claims?

20.1 To address the concerns of certain businesses, particularly the SMEs, the law may provide that private action could only be pursued after the regulatory body has made a decision that the conduct in question constitutes an infringement of the competition law. A time limit for taking private action should also be imposed. The regulatory body should not be entitled to award costs to a party, but when a civil action is involved, the Court would make orders as to legal costs pursuant to the normal procedures.

Taking into account these points, the detail of any proposed competition law should be carefully examined. The Law Society's general support at this stage is not to be taken as a blanket acceptance of any specific provisions that may be introduced. Moreover, the effect of the law if passed and the associated regulatory processes should be kept under review both to determine its effectiveness and any possible abuse.

The Law Society of Hong Kong 13 February 2007

103019 v8

March 31, 2006

Economic Development and Labor Bureau 2/F Central Government Offices Main & East Wings Lower Albert Road Central, Hong Kong

Economic Development and Labor Bureau

We are writing in response to the Hong Kong government's consultation paper of December 2005, "Future Development of the Electricity Market in Hong Kong."

As residents of Hong Kong for the past 8 and 1/2 years, we are very concerned about the levels of air pollution caused by power stations in Hong Kong and fully support the government's objective to minimize the environmental impact caused in the production and use of electricity. We have witnessed the deterioration in Hong Kong's air quality since our arrival in 1997, and it has gotten to the point that we cannot fully enjoy outdoor activities as we fear for our health and the health of our two small children.

We would like to see the following recommendations implemented:

- 1. Investment in renewable energy sources should be encouraged, however, the government's target of having between 1-2% of our local power needs met by renewable energy sources by 2012 is too low.
- 2. Hong Kong's electric companies should cease to export electricity to the mainland in order to reduce air pollution in Hong Kong immediately as well as assist Hong Kong in meeting its 2010 emission reduction targets. This will not impose an undue burden on Hong Kong's electric companies as their electricity exports to the mainland account for very small percentages of total generating capacity on the mainland.
- 3. Specific targets and timetables for a reduction in coal burning should be set.
- 4. The permitted rate of return of power companies in Hong Kong is among the highest in the world and should be reduced to lower levels in line with rates of return in other countries. In addition, the government's proposal of fixing the permitted rate of return over a 10-year period, with an option to extend by another 5 years, is still too long and inflexible.

- 5. Permitted rates of return should be linked to total emissions caps set forth in the power companies' licenses. Those power companies that cannot achieve the total emissions caps should have their rates of return further reduced.
- 6. Transparency in determining permitted rates of return is crucial, as is effective benchmarking against other jurisdictions and sectors to ensure a rate that is acceptable to investors and fair to consumers.
- 7. The government should impose strict total emissions caps on major pollutants.
- 8. An Energy Administration should be established to coordinate the planning of the electricity market in terms of economic, social, environmental and regional development.
- 9. The timetable for cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including a regional blueprint for wind energy development.

Finally, we would like to see a scheme of control for the electricity market that creates a structure for "best in class" delivery, whereby existing 99.99% reliability rates are maintained, provides incentives to the electricity companies to enact world class standards on renewable energy and the use of "clean" fuel, and imposes appropriate safeguards to ensure that consumers continue to be protected and provided electricity at a reasonable cost.

ane, Evelyn + Geneme

Sincerely,

The Moore Family (John, Melanie, Evelyn & Genevieve)

"The O'Leary Family"



30/03/2006 08:49

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hı	reath of cl	lean air	^											

Sign:	

"Ian M COUGHLAN"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Stage II Consultation on The Future Development of the Electricity

Market in HK

☐ Urgent ☐ Return Receipt

01/04/2006 09:28

Dear Sir or Madam

Please find attached a response from The Peninsula Hong Kong in regard to the above subject.

Yours faithfully, Ian Michael Coughlan

Ian Michael Coughlan General Manager The Peninsula Hong Kong Salisbury Road Kowloon

Tel: (852) 2315 3002 Fax: (852) 2721 6609

Hong Kong

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The Hongkong and Shanghai Hotels, Limited





EXECUTIVE OFFICE

Ian Michael Coughlan

General Manager

31 March, 2006

Economic Development and Labour Bureau 2/F, Central Government Offices
Main & East Wings
Lower Albert Road
Central, Hong Kong

Hong Kong

New York

Dear Sir/ Madam

Chicago

SUBMISSION – STAGE II CONSULTATION ON THE FUTURE DEVELOPMENT OF THE ELECTRICITY MARKET IN HONG KONG

Beverly Hills

As a sizeable commercial user of electricity within Hong Kong, The Peninsula Hong Kong welcomes the opportunity to comment on the Stage II Consultation Paper.

Bangkak

First and foremost, we endorse and support the Government's energy policy objective to ensure that the public can enjoy reliable, safe and efficient energy supplies at reasonable prices, while minimizing the environmental impact. At present the Hong Kong consumer benefits from a reliability standard that exceeds 99.99%, which is amongst the highest in the world.

Beijing

Manila

Takyo 2007

It is our contention that whatever regulatory system is put in place post-2008, it must ensure that reliability standards are maintained within "Asia's World City" and, by inference, so too safety levels. In addition it is felt that this consultation process affords the Government, and the individual stakeholders within the industry itself, the opportunity to improve the environmental impact that energy production has on the environment. This should not only be considered within the context of the electricity market itself, but on a wider plane i.e. tourism which plays such a significant part in our economy, and the quality of life for the Hong Kong population.

Whilst the consultation paper fully recognizes the need to maintain Hong Kong's reliable electricity supply, it is felt that it would be beneficial for the electricity companies to be guided by a coherent energy policy that lays down the future long-term fuel mix in terms of coal, gas, nuclear or renewable energy (RE). This would allow the Government greater control over the environmental impact by allowing it to set consistent emission standards for each of the fuel elements backed up by targets to be achieved. This could be incentivised with financial rewards and penalties.

Since 1997 one of the Government central planks in support of the Kyoto Protocol has been to ban the use of new coal-fired generation plants, and it has asked suppliers to maximize their use of natural gas. This was done on the basis that gas-fired plants emit

THE PENINSULA

about 50% less carbon dioxide than coal-fired plants. Whilst that is a positive step, it does not resolve the ongoing environmental problems associated with the existing coal-fired plants. Given the high capital costs and the long-term timeframes endemic within the electricity supply industry, these plants are liable to be with us for a number of years. That being the case, it is suggested that the Government instigate an incentive scheme to equip these plants with state-of-the-art emission controls. In the light of the additional investment required, the proposal to set lower rates of return for coal-fired plants than for other capital investment using other generation fuels appears to be illogical.

The paper's decision not to predicate the development of Hong Kong's future electricity market on supply from the Mainland is supported. It is believed that the range of uncertainties outlined will only become clear in the medium to long-term, however the environmental impact of importing Mainland sourced electricity could be profound. There would be no local control of the emissions from the generating plants which, most likely, would increase airborne pollution and exacerbate the ongoing situation in Hong Kong. Furthermore, the need for additional power lines and infrastructure, especially through the rural areas of Hong Kong, would have a significant environmental impact.

The development of RE, despite the potential cost penalties, within Hong Kong is welcomed. That said, the proposed target of achieving 1-2% of local power needs from RE by 2012 is lamentable. If the worthwhile intent of utilizing RE is not to be wasted, it is suggested that the Government incentivise the whole area of RE, so that industry can progress the development in a more timely manner.

Finally, the proposal to limit agreements with the generating companies to 10 years with an option to extend by another 5 could be counter-productive. The power companies do not hold franchises, so they must therefore make their overall financial returns over the period of the agreement. It might well be that the shorter the agreement term, then the less inclined the power companies might be to fully invest in the necessary infrastructure required to maintain Hong Kong's electricity supply at its present high standards of reliability. It is therefore suggested that the Government might wish to take further advice, with a view to re-assessing the agreement period.

Thank you for the opportunity to comment on the consultation paper, and it is hoped that the above comments and suggestions will be taken into your deliberations. It should be recorded that The Peninsula Hong Kong is owned by the Hong Kong and Shanghai Hotels, Limited, which is 55% controlled by the Kadoorie family interests, which are also a substantial shareholder of CLP. However, the views expressed in this letter represent the independent views of The Peninsula Hong Kong.

Yours faithfully,

{NO SIGNATURE SENT VIA EMAIL}

Ian Michael Coughlan

THE REAL ESTATE DEVELOPERS ASSOCIATION OF HONG KONG

香港中環德輔道中十九號環球大夏1403年 Room 1403, World-Wide House, 19 Des Voeux Road Central, Hong Kong. Tel: 2826 0111 Fax: 2845 2521

30 March 2006

Secretary for Economic Development and Labour Economic Development and Labour Bureau 2/F Main Wing Central Government Offices Lower Albert Road Hong Kong

Attention: Mr. George Ling

Dear Mr. Ling

Consultation Paper on the Future Development of the Electricity Market in Hong Kong Stage II Public Consultation

We thank you for your letter of 30 December 2005 to our President and as requested, are pleased to enclose herewith our comments on the various aspects outlined in your Consultation Paper.

Yours sincerely

Louis Loong Secretary General

The Real Estate Developers Association of Hong Kong Comments on the Stage II Consultation Paper on the Future Development of the Electricity Market in Hong Kong

A. Policy Objective

The Government's policy objective of ensuring a reliable, safe and efficient electricity supply at reasonable prices is supported.

B. New Supply Sources

We do not consider them feasible in the short term.

C. Proposed Regulatory Arrangements

1. Duration of the Agreements

Acknowledging that a shorter term may induce higher risks to the power companies, which in turn may translate into a premium on their investment return and a higher tariff to the consumers, we consider that on balance a duration of 15 years is fair to both parties.

2. Permitted Rate of Return

No explanation is offered in the consultation document for setting the permitted rate of return in the range of 7 to 11%. As of today, the risk free capital cost is between 4.8 to 5% while the weighted average cost of capital for Hong Kong power companies is 7%. As such, 7% would therefore seem unattractive for long term investments.

While a fixed rate of 15% throughout a contract term of 15 years under the current Scheme of Control has proved to be inflexible, to review the rate every 5 years without very clear and binding parameters would bring too much risks and further reduce the incentive to lower returns for the power companies. A right balance should be struck among risks, contract term and rate of return and, as a general rule, one uniform rate should be set for all asset classes. A higher rate of return, however, should be used to incentivize investment on emission reduction facilities.

3. Affordability

As it is not feasible to define whether a particular level of tariff is affordable to consumers, we do not consider it appropriate to set tariff by reference to this indicator.

4. Institutional Setup

The current institutional set up for the Scheme of Control is considered appropriate and the status quo should be maintained.

"The Riebes"

31/03/2006 08:35

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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"The Show Productions Ltd"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 10:49

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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I	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	ć
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breath	of	clean	air.
Sign: _			_

"The Sustainable Solutions Foundation"

24/03/2006 12:36

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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"The Venue Co. Ltd"



25/03/2006 21:49

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.



"Thea Jacques"

31/03/2006 09:06

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Future development of electricity in HK

☐ Urgent ☐ Return Receipt

Please find attached our comments on the Future Development of the Electricity Market in Hong Kong.

Thea and Greg Jacques

Electricity supply.doc

30 March 2006

Economic Development and Labour Bureau 2/F Central Government Offices, Main and East Wings Lower Albert Road Central HONG KONG

Dear Sir/Madam

Consultation Paper on Regulation of the Electricity Market after 2008

I understand the Government has released a Consultation Paper on this matter and that the paper proposes extensive changes to the existing arrangements. As a CLP Power customer, I am worried that some of the proposed changes could lead to a much less reliable service in future.

Weather conditions and population density mean the community in Hong Kong is especially heavily dependent on electricity for air-conditioning, transport and access to high rise buildings. A very reliable supply of electricity at a reasonable cost is therefore important in maintaining our quality of life. It is vital that the Government ensures any changes made to the current regulatory regime will not jeopardize the performance and the high degree of confidence we now have in the electricity supply in Hong Kong.

I therefore suggest the Government:

- Set the rate of return for electricity utilities at a level which ensures current service standards are maintained;
- Not change the 15 year regulatory period; and
- Actively encourage the installation of the most advanced pollution control equipment available, not discourage it (through the proposed lower rates of return).

Thank you for your attention

Yours sincerely

Greg and Thea Jacques

"Thelma Kwan"



29/03/2006 16:50

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sign:			_				

"Theo Bowes" 30/03/2006 13:33

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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"Theresa Jeeong"



17/03/2006 19:21

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Theresa Jeeong

26 March 2006

The Secretary,
Economic Development and Labour Bureau,
2/F., Central Government Offices,
Main & East Wings,
Lower Albert Road, Central,
HONG KONG.

Dear Sir,

Future Development of the Electricity Market in Hong Kong Consultation Paper - Stage II

In the consultation paper, it is proposed to shorten the agreement period to 10 years and lower the rate of return to 7-11%. I worry that these changes would lead to insufficient investment in the electricity infrastructure. The existing rate is reasonable given Hong Kong's small economy. The power companies need sufficient incentive to attract long-term investment for building expensive electricity infrastructure that can ensure adequacy and reliability. As we all know that the asset life of the power industry is as long as 30+ years and such that a sufficiently long regulatory period must be provided. It is certain that without sufficient financial resources, the quality of electricity supply will be degraded. I hope the government knows the real priority in the future development of the electricity market. Interruption-free supply should be on the top of the list among all the other things. It is not worth to reduce the tariff which is already reasonable and affordable by a few cents at the expense of jeopardizing the supply reliability.

Please take my views into consideration and not to adopt the above-mentioned proposals in order to safeguard our electricity system.

Thank you for your attention.

Yours faithfully,

Thoraga Li

Theresa Li

"theresa wong"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 09:10

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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"Theresa Tam" 31/03/2006 08:44

To:	<electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>
cc:	
:4.	Despense to Consultation Denon on Future Deviale

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Theresa

theresa

30/03/2006 15:07

To: electricitycommentstage2@edlb.gov.hk

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

theresa

"Therese Beresford"



24/03/2006 15:42

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Therese Beresford

"Therese Toquet"

27/03/2006 12:52

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Therese Toquet

"Thespis HO"

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

To: electricitycommentstage2@edlb.gov.hk

19/03/2006 10:01

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Thespis HO

"Thierry Charles Dubois"



25/03/2006 21:26

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Thierry C. Dubois

"Thierry Neveux"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 15:25

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Thierry Neveux

"Thimy Nguyen"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

29/03/2006 12:49

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To: <electricitycommentstage2@edlb.gov.hk>

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Sign:			_				

thomas

30/03/2006 22:05

To: electricitycommentstage2@edlb.gov.hk

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong. thomas

"Thomas Bak"

27/03/2006 13:21

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Thomas	Rak
21411.	THOMAS	Dan

"Thomas Banas" 27/03/2006 07:33

To: <electricitycommentstage2@edlb.gov.hk>

Subject: [Possible SPAM] Response to Consultation Paper on Future
Development of the Electricity Market in Hong Kong
Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I have problems breathing and have to use inhalators daily inorder not to suffer pain when breathing.

I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- 7. The increase of alternative fuels for automobiles, trucks and busses to lower emissions gases.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Thank you Thomas Banas

"Thomas Chan" 27/03/2006 15:36

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially urge the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Thomas Chan

11/3/06
Economic Development and Labour Bureau 2/F, Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Thomas Chau Chi Kong

Dear sir,

Re: Views on Consultation Paper

After reading the Stage II Consultation Paper, I feel the paper is presented in a piecemeal manner instead of providing a consistent picture about the future electricity market.

There is no roadmap or schedule to implement the so-called "arrangements to cater for new supply sources". Always talk about "keep closely monitor" or "liaison with relevant Mainland authority" on grid access for new supply sources is meaningless. It just introduces more uncertainties on business operation for the existing two power companies. Facing these increased business risks, as investors, how can they be attracted to invest their monies in the electricity industry? In addition, the introduction of new suppliers from the Mainland will endanger our supply reliability. Shall we be willing to bear this risk in Hong Kong? This answer is obvious.

Yours faithfully,

Thomas Chau

Chau Che Koy Thomas

"Thomas Cheung"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 22:55

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
hı	reath of cl	lean air	<u></u>											

breath	of	clean	air.	
Sign:			_	

"Thomas Chui" 17/03/2006 14:34

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身在香港的一份子,我要爭取自己的,為下一代著想, 什麼事都要以健康為首,希望你能為我們出一點力。

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Thomas Chui

"Thomas E. Nunan"



16/03/2006 08:02

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:			
- 5			

"Thomas Feld"

27/03/2006 15:12

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Dieac	1 01	Clean	aii.				
Sign:			_				

"Thomas Goodchild"



29/03/2006 10:50

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			-				

"Thomas Jensen" 24/03/2006 13:07

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Thomas Jensen

"thomas keith" 26/03/2006 18:35

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Gian.	thomas	koi+h
STAIL.	LHOMAS	кеты

"Thomas Larmour"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 15:43

To Economic Development and Labour Bureau,

As a Hong Kong resident, I am very much concerned about the air pollution caused by power stations. I strongly demand the government enhance control in the electricity market, in order to mitigate the pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those that cannot achieve the caps should have their rate of return reduced;
- 2. Investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. I request the SAR government set up a concrete and clear energy saving target;
- 5. An Energy Administration should be established to coordinate planning within the electricity market in terms of economic, social, environmental and regional development;
- 6. Cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I respectfully request the SAR government take all reasonable measures to bring us back the blue sky and a breath of clean air.

Sign: Thomas LARMOUR

"thomas lee" 23/03/2006 23:54

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

愁萌特區以析能為省港市米一片監大,給中氏一口消新至氣。
(署名) 啟



To: <edb@edlb.gov.hk>
cc:
Subject: Second Stage Consultation on Future Development of the
Electricity Market in Hong Kong
Urgent Return Receipt

As a resident born in live in HK for nearly 40 years, I must say that I am extremely satisfied with the performance of the two power companies in HK. I can hardly recall my last experience of power supply failures, both at work and home, as they happened so long ago. This high level of reliability is of primarily importance both to my comfort and continuous success of HK as a financial centre and world city.

My limited experience in life and at work tells me there is no free lunch. This is particularly true in the business world. People run business for profits. Corporations invest for a reasonable return. This is how market works and a core value most of the HK people hold to and treasure. But I find something at odds to this principle in the Government's second stage consultation paper.

The government has proposed a higher rate of return for power companies investing into renewable energy. This is in the right direction and makes business sense. The power companies will be more willing to invest into renewable asset for the extra return and at the same time helps the government to meet its renewable targets. What doesn't make sense is the lower rate of return proposed for the de-sulphurisation plants which are indispensable for controlling pollutants from coal-fired power station. This is diametrically different from the treatment for the renewable asset. To me, both types of investment are to provide a cleaner and more environmental friendly source of energy to us. I find it difficult to reconcile the rationales behind the two. This arrangement is also against the user-pay principle. Customers who are the ultimate users of the electricity should pay for the cost of generation as well as the associated equipment for pollution control. This is the same as asking customers for higher tariffs if the cleaner, yet more expensive, natural gas is to be adopted as the sole fuel for electricity generation.

As a consumer, I want to enjoy electricity at the lowest price possible. But I also realize that I have to pay for a reasonable price for quality service. I have learnt enough lessons from the customer services provided by the telecom service providers as a result of the unhealthy cut-throat competitions. The achievement of Hong Kong is a miracle by any measure in human history. Hong Kong is unique in many ways and certainly electricity supply is one of them. It is a vital energy source for the modern city and the cost of power failure for this world financial centre is simply too high. We need strong power companies and a healthy regulatory regime to ensure delivery of that critical mission. I will not trade off this valuable asset for tiny and short-term benefits. The above arrangement, while seemingly giving consumer benefits in the short term, is not economically sound and will not be sustainable in the long run. I hope the government can take a serious look at the issue and come up with a proposal that is in line with the free market spirit and conducive to a healthy operating environment for the power companies and in the best interest of the Hong Kong citizens.

Best regards,

Thomas Leung

30-3-2006



 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Thomas Ng

"Thomas Nolsoe"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 13:09

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACI	· OI	CICan	all.				
Sign:			-				

"Thomas R. Barnes"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 12:13

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Thomas	Þ	Barnes
SIGII.	1110111as	к.	barnes

"Thomas Rebler" 29/03/2006 17:47

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Thomas Rebler

"thomas wong"



24/03/2006 00:58

To:	electricitycommentstage2@edlb.gov.hk
-----	--------------------------------------

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

thomas wong

"Thomas Wong"

29/03/2006 11:42

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Thomas Wong

"THOMAS YIP"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 政府應加強改善空氣污染問題

Urgent Return Receipt

14/03/2006 20:44

敬啟者:

本人對香港之電力供應都感到滿意,供電穩定既可靠,有人說電費貴, 本人則覺得合理,相比交通及住屋,已便宜很多!兩電能持續改進,本人已感滿意.

本人曾遊馬來西亞大城市的一個商場,期間突然電力中斷,但顧客沒有任何驚訝表現, 我相信他們可能已習以為常,很慶幸香港沒有像這種事情發生.

香港電力市場細小,又何需要引進第三間電力公司呢! 相反政府應加強改善空氣污染問題,與兩電協商,達至一個大家可接受的方案. 絕不要像國內電費便宜,但環境污染嚴重.

Thomas Yih

Economic Development and Labour Bureau, 2/F., Central Government Office, Main and East Wing, Lower Albert Road, Central, Hong Kong.

Dear Sirs,

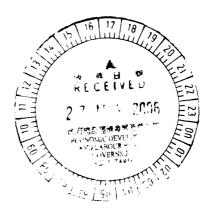
<u>Future Development of the Electricity Market in Hong Kong Stage II Consultation</u>

I am a citizen living in Hong Kong for more than 40 years. I would like to express my view on this issue.

For capital intensive investment on electricity market, a long-term and stable operating environment is essential for the power companies to arrange long term planning and investment on the supply network to ensure the supply reliability of Hong Kong. Hence, the existing 15-years of regulatory period is considered appropriate.

For the permitted rate of return, all general citizens will expect to have a rate as low as practicable. On the other hand, the rate of return must have enough incentives for the power companies to arrange long-term investment on the power system. Otherwise, the existing excellent supply reliability of Hong Kong will be gradually decreased due to insufficient investment. I think the general public will accept a higher rate of return with high supply reliability rather than a lower rate of return with low supply reliability. Moreover, in my experience, the expense of electricity tariff was not significant compared with the monthly household expenditure.

Thomas Yu 25th March 2006



"Thomson"

31/03/2006 13:41

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations in Hong Kong and Mainland China. I strongly demand the government to enhance control, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: _	Thomson		

"Thulasidas Ramsetty"



31/03/2006 10:28

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: thulasidas

"Thuy Marchal"

24/03/2006 12:11

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

Tian Di Web Limited

15 Lan Kwan Fong, 8C Central, Hong Kong

Economic Development and Labour Bureau 2/F, Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong
By Fax to:28684679

31 March 2006

Dear sirs.

Views on Stage II Consultation Paper

Being a web design company, we have to rely on sophisticated computer network for daily webpage design and information sharing. Obviously, a reliable power supply is of paramount importance for our business.

In Hong Kong, we are fortunate to have such reliable electricity supply. We opine that this reliable power supply should be maintained no matter how the regulatory regime will be changed after 2008. The Government should ensure that a sufficient incentive is provided to continuously attract timely and adequate investment in the power infrastructure.

However, after reading the consultation paper, we consider that the whole document is drafted on a piece-meal basis. The following proposals, if implemented, may increase the business risks borne by the power companies and hence deter their long-term investment in the power infrastructure, and in the end negatively affecting all electricity users, i.e. everyone, in Hong Kong.

(i) Lowering of rate of return to a range of 7-11%

As compared with the prevailing economic conditions, the proposed rates may be too low. In addition, the economic conditions in the post-2008 regime may be very different from those in the current one. It may be too premature to fix the return rates at this moment.

(ii) Shorten regulatory period to 10 years

Given the huge inherent business risk and long-term nature of the power industry, a stable investment environment is essential to encourage investors to invest in the industry. Therefore, the existing 15-year regulatory framework is more appropriate.

Yours faithfully,

For and on/pehalf of

Tian Di Web Limited

Herman Lam, Director



CC:

Subject: Can we have clean air please!!

Urgent Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. To protect my health, and the health of my family, I demand that the Government enhance the control of air pollution due to the power generation, under the future electricity market. This "future market" must not become the pretext for power companies to escape their social and environmental responsibilities to protect.

I recommend:

- 1. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be transferred to consumers;
- 2. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 3. An investment in renewable energy should earn an even higher level of permitted rate of return;
- 4. An Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 5. The targets and time-table for reduction of coal burning should be set;
- 6. Cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- 7. Demand management must be built into the profits of the company. There must be a mechanism where they profit if they can significantly reduce energy demand. At present they only profit from Increased demand.

I demand that the SAR Government bring back clean air to Hong Kong. I and my family need a breath of clean air.

Name Tian Tse

"Tiana Harilela"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 10:48

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tiana Harilela

"tiaranad Gerjarusak"



27/03/2006 08:12

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tiaranad Gerjarusak

"tien chin"

18/03/2006 12:39

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tien chin

"Tiffany Chan"



29/03/2006 19:47

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: [Possible SPAM] Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

"Tiffany Chan"



27/03/2006 16:00

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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Sign:			_				

"Tiffany Chang"



30/03/2006 16:41

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: [Possible SPAM] Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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breath	of	clean	air.					
Sign:			_					

Tiffany Cheung

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 14:32

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for ${\tt Hong}$ Kong.

Tiffany Cheung

"Tiffany Man" 29/03/2006 18:19

To: <electricitycommentstage2@edlb.gov.hk>

CC:

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☐ Urgent ☐ Return Receipt

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Sign:			_				

"Tiffany Mendenhall"



27/03/2006 13:09

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sign:			-				

"Tiffany pinkstone"



27/03/2006 10:01

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

Urgent Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tiffany Pinkstone

"tiffany sham wing kwan"



30/03/2006 10:56

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: tiffany sham

"Tiffany Tsang"



28/03/2006 16:23

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air. As I do not feel happy in the mornings looking at the sky like this.

Sign: Tiffany Tsang	ign:	Tiffany	Tsang	
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"Tim"
18/03/2006 08:32

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
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- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tim

"Tim Baldwin" 27/03/2006 21:34

To:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>
~~.	

C:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

"Tim Bowman"



23/03/2006 16:09

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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hı	reath of cl	lean air	^ .											

Dreati	1 01	Clean	air.				
Sign:			_				

"tim bredbury"



29/03/2006 10:34

To: electricitycommentstage2@edlb.gov.hk

CC

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

tim bredbury

29 March 2006

Economic Development and Labour Bureau 2/F., Central Government Offices,
Lower Albert Road, Central
Hong Kong

Dear Sir,

Submission for Stage 2 Consultation on the Electricity Market Development

I think that your proposed features below would not be effective in ensuring an adequate and reliable electricity supply in the post-2008 regulatory regime:

- The regulatory period is shortened from 15 years to 10 years
- Different permitted rate of return ranging from 7% to 11% for different asset classes

Although they may provide electricity users a slightly lower electricity tariff, they will increase the risks of power shortages and blackouts since these two proposals will lower the incentive for investors to invest in long-term capital-intensive power supply industry.

Given that the reliable electricity supply is of vital importance to Hong Kong, I don't think it is prudent for the Government to adopt the above proposals in formulating the regulatory framework for the electricity market after 2008.

Yours sincerely,

Tim Chan



To: <electricitycommentstage2@edlb.gov.hk>
cc:
Subject: Comments on the Stage II Consultation Paper on Future
Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Dear Sir,

Reference is made to the Stage II Consultation Paper on Future Development of the Electricity Market in Hong Kong.

I would like to express my view that electricity infrastructure involved huge and long-term investment, a sufficient long regulatory period is crucial so that investors are willing to continue their investment. A 10-year regulatory period with an option to extend for another five years is considered too short. In addition, the rate of return should be sufficient to attract long-term investment. Lack of investment will affect the reliability of electricity supply.

Yours faithfully,

Tim Chan 28/3/06

"tim" 24/03/2006 15:54

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tim Chan

"Tim Dinwiddie"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 19:00

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breath	οÍ	clean	air.	
Sign: _				
prair			_	

"Tim Drew"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 11:04

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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hı	reath of cl	lean air	^ .											

breath	of	clean	air.	
Sign: _			_	



To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tim Hay-Edie

"Tim Hills"

24/03/2006 12:05

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tim Hills

"Tim Ingham" 24/03/2006 14:42

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Tim	Ingham	
DIGIT.	T T III	THAHall	

"Tim Kremer" 24/03/2006 09:42

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Tim Kremer, a concerned HK resident

"Tim Leung" 29/03/2006 16:53

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tim Leung

"Tim Ogden"



24/03/2006 20:33

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: We are parents of 3 young children and we want clean air!

Urgent Return Receipt

To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tim Ogden

Tim Ogden

"Tim Orgill" 27/03/2006 17:58

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tim Orgill

"tim otway"

28/03/2006 12:12

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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hт	reath of cl	lean air	<u></u>											

breati	IOI	Clean	air.				
Sign:			_				

"Pyramid Research"



27/03/2006 09:30

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tim	Russell,	Director
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"Tim Sherriff"



To: electricitycommentstage2@edlb.gov.hk

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tim Sherriff

"Tim Stentiford"

24/03/2006 16:52

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I look forward to hearing from you.

Yours sincerely,

Tim Stentiford

"Tim Williams"



27/03/2006 11:20

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: TIM WILLIAMS

"Yeung Suk Fun"

29/03/2006 16:32

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	_Timmy
-------	--------



To: <	electricitycommentstage2@edlb.gov.hk>
CC:	
Subject: C	onsultation Paper on Future Development of the Electricity Market
	n Hong Kong (Stage II)
	Urgent Return Receipt

Dear Sir,

After reading the consultation paper on future development of the electricity market in HK (stage II), I would like to submit my comments below:

HK as a world class financial centre cannot afford low supply reliability. Besides, we all work and live in high-rise building, we absolutely rely on high electricity supply to maintain our good quality of life. As there is no sign of electricity supply surplus in Mainland China, import electricity from Mainland is infeasible at least for the next 10 years.

Under current Air Pollution Control Ordinance, power companies are already subject to penalty for failing to meet emission caps. This would mean double-penalty on power companies. Therefore, the proposed Rate of Return arrangement linked to emission caps is not reasonable and unfair.

The existing penalty mechanism has worked well to prevent over-expansion of assets. It is not reasonable and unfair to penalize power companies for any investment already approved by the Government. Under normal circumstance, the need for investment would better be judged in accordance with in other large cities' best practice.

In conclusion, I strongly recommend that the Government should keep the Scheme of Control Agreement (SCA) in its existing form so that we could enjoy the current good customer services and high supply reliability provided by two power companies for the next 15/30 years.

Regards, Timmy Shum

"Timon Wehrli"



23/03/2006 13:53

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

Urgent Return Receipt

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Sign:	timon	wehrli_

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road
Central, Hong Kong

Dear Mr. Ip,

Electricity Market Consultation (Stage 2)

I am writing to express my concerns on the proposals outlined in your consultation paper:

- 1. Your proposal to reduce permitted rate of return with no basis is not convincing. I envisage that the permitted rate of return may have to increase rather decrease as you introduce so many new risks. Unjustly reduce the permitted rate of return will cause underinvestment and hence blackouts.
- 2. You propose to reduce the rate of return if the power companies if they fail to meet the emission reduction targets set by the government. Is this arrangement fair to the power companies as they have already been subject to environmental penalties?

Please address my concerns. I oppose these proposals unless you can give reasonable justifications.

Yours sincerely,

Timothy Hui

"Tim Mariano"



24/03/2006 10:58

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- 7. adopting European Vehicle emmission standards for not only passenger vehicles but for commercial vehicles (trucks and buses) as well.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	_Timothy	С	Mariano
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"Tim Bellman"



24/03/2006 14:40

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Timothy E. Bellman

"timothy Fletcher"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 08:46

To Economic Development and Labour Bureau,

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Dieac	1 01	Clean	aii.				
Sign:			_				

"Timlim"
27/03/2006 14:24

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Timothy Lim

Timlim

"Timothy M W Greening"



29/03/2006 10:01

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DI Caci.	. 01	CICan	air.				
Sign:							

"Timothy Ng"

24/03/2006 00:40

To: <electricitycommentstage2@edlb.gov.hk>

CC:

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☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sian:	Timothy	Na	
DIGIT.	T THIO CITY	NG	

"Timothy Roberts"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

31/03/2006 16:47

To Economic Development and Labour Bureau,

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Sign:			_				

"Timothy Siu"

24/03/2006 05:45

To:	electricitycomme	ntstage2@ec	llb.gov.hk
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CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Timothy Siu

"Timothy Tan" 30/03/2006 10:43

To:	<electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>	
cc:		

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Timothy Tan

"tin lok"
20/03/2006 10:41

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 4. 制訂減少燒煤的目標和時間表;
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- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tin lok

Tin Tsang 31/03/2006 13:12

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.
Tin Tsang

"Tina Briggs"

31/03/2006 22:54

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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breati	1 01	Clean	air.				
Sign:			_				

"tina callender" 31/03/2006 14:01

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I look forward to hearing from you.

Yours sincerely,

tina callender



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

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祝好

Tina Ching

"Tina Das Chowdhury"



31/03/2006 10:48

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Sign:			_				

27/03/2006 14:29

"Tina Jansen"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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hт	reath of cl	lean air	<u></u>											

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Sign:			_				



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

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 m The}$ cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Ms. Jensen

Tina Jensen

"Tina Lo"



23/03/2006 11:22

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tina Lo Tsz Kwan

Tina Lo

"Tina Purvis"



28/03/2006 10:33

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, and about to have my first baby, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
br	reath of d	clean ai:	r.											

Sign:Tina Purvis

"Tina Wu" 27/03/2006 14:15

To:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>
~~.	

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: _Tina Wu___

"Tine & Paul Gregory"



24/03/2006 14:57

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tine	Gregory		

"Tine K Nicklen"

27/03/2006 09:58

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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On a personal level I am also thinking of the future of my family, as do a lot of foreign nationals in Hong Kong. My children were born in Hong Kong and we chose Hong Kong as our permanent residence. But the high pollution levels do play a big part in whether we will still see it fit for our children to grow up here. If the air quality does not improve, we will have to leave Hong Kong for health reasons.

Please do help in convincing us that Hong Kong should continue to be our home.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tine K Nicklen

"TING, Chin Wai Olive"



Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

To: electricitycommentstage2@edlb.gov.hk

23/03/2006 12:57

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

TING, Chin Wai Olive

Ting Kan Ching

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

31/03/2006 01:42

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for ${\tt Hong}$ Kong.

Ting Kan Ching

To: edlb@edlb.gov.hk

cc:

2006/03/04 Subject: Web Enquiry 10:58 AM

realname: Ting, Lung On

subject: Renewal of scheme of control in CLP

Enquiry: Dear Sir/Madam,

I would like to share my opinions of renewal the scheme of control of CLP. CLP is a hundred years experienced electricity supply company in H.K.. We know that CLP can provide a stable electricity supply for us. However, in the customer view, I thank that they should reduce the charge for their long term running in H.K.. Also, they have responsibility to maintain lower air pollution during the electricity supply generation. On other side, I expect the H.K. government has a long term agreement with CLP and sure that CLP have long term plan in H.K. especially in air pollution reduction and maintain a reason charge in coming years.

Finally, the electricity supply is play a vital role in H.K.. Whatever is the final plan for renewal the scheme of control in CLP. A higher stability electricity is most important in H.K..



Ting Wai Kung

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: Stage 2 Electricity Consultation
Urgent Return Receipt

28/03/2006 10:58



Electricty Consultation Letter.doc

electricitycommentstage2@edlb.gov.hk

I am writing to express my view on the future development of electricity market in Hong Kong.

The capital investment by two power companies is definitely worthwhile, simply because we need and most importantly, enjoying a reliable and safe electricity supply. Power industry requires a lot of capital investments, and its service life usually lasts for 30 years. During the first 10 years of the investment, the return will still be negative and obviously a 10-year regulatory period is too short to guarantee a positive return to investors. Such condition is unfavorable to future investment and development.

Moreover, the Permitted Rate of Return (ROR) proposed by go vernment is not attractive enough to facilitate investment especially emission reduction in future market. It is not logical to determine RORs according to the nature of assets. Emission reduction is the most direct and cost effective method to control the emission of harmful substances, but why the proposed ROR of emission reduction asset is the lowest among other three? Obviously, renewable energy is not favorable here in Hong Kong and has little potential for future development. Emission reduction is the most effective and efficient way to protect our environment and it should have a reasonable ROR. There should be only one ROR for all assets simply because they bare the same cost and risk.

The proposed tariff adjustment mechanism is not reliable and would discourage investment. The proposed mechanism will subject to political pressure, and the politicians nowadays are simply fighting for "votes". Such mechanism would create unstable investment environment and it is certainly not beneficial to the future of Hong Kong.

Comparing with other countries, the tariff in Hong Kong is very competitive and I think a reliable, safe and efficient electricity supply at reasonable price is what Hong Kong really needs.

"Tinja Wright" 24/03/2006 10:09

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tinja Wright

"tinka heeckt" 26/03/2006 23:09

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

"Hon Yin Nei Tinny"



25/03/2006 20:52

To: <electricitycommentstage2@edlb.gov.hk< th=""></electricitycommentstage2@edlb.gov.hk<>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

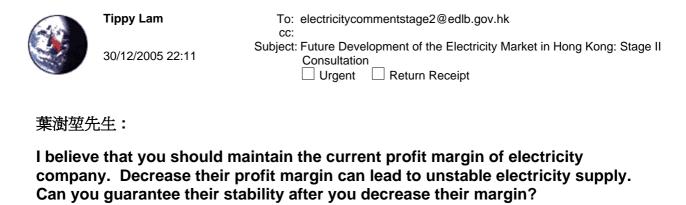
致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

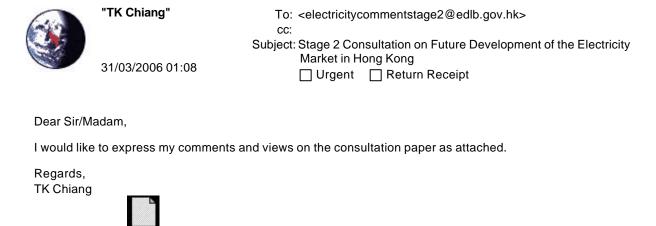
- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

_Tinny Hon____ (署名) 啟



Tippy Lam



Response to stage 2 consultation.doc

Consultation on Future Development of the Electricity Market in Hong Kong Stage II Consultation

Views and Comments from Ir. TK Chiang

In response to the Hong Kong SAR Government's stage 2 public consultation on future development of the electricity market in Hong Kong, I would like to express my views and comments as elaborated in the following.

I fully agree with the Government's policy objective of ensuring that the public can continue to enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimise the environmental impact caused by the production and use of energy. But to achieve this, the Government should formulate detailed proposals based on well defined principles.

The key is how Government's policy objective can be achieved

- Broadly speaking there are two types of regime for the electricity supply industry, viz. regulation and competition. Based on the experience of the past 40 years, electricity supply in Hong Kong is very reliable. The electricity market in Hong Kong is regulated. While some people criticize that there may be intrinsic inefficiency of regulated markets, I would believe that the shortcomings, if any, could be remedied or minimized. Moreover, we should not just focus on criticism without recognizing the benefits it brought to Hong Kong over the past decades.
- 3 To address the concern of inefficiency, someone propose the introduction of competition as panacea. To me, this is just a theoretical "solution" which does not take into account the unique characteristics of the industry, which include:
 - i Electricity cannot be stored economically
 - ii It has to be consumed at the moment it is produced with low price elasticity
 - iii Electricity assets are long lived and require long lead time to plan and install
 - Electricity assets once invested cannot economically re-deployed to other uses.

Open market may not attract adequate investment required to maintain reliable supply

What the above characteristics bring to the industry is significant risk. Due to the high inelasticity, electricity price in an open market is highly volatile. Generation investors do not, or are not able to, have a reasonable guess of the price over a period of time that is compatible with the asset lives. Yet, since the assets are non redeployable, the risks of the assets becoming stranded is exceptionally high. Thus, while competition can bring economic benefits in other industries and commodities markets, it is very challenging to achieve the same result in electricity industry.

With uncertainties, investors would normally withhold investment so that it is worried that open market may not provide adequate investment incentives¹, which may jeopardize reliability. While people argue that the "market" itself will be self-regulating in terms of giving the proper signal to the investor to invest, studies shows that this may not be the case. In fact, market does not work as predicted to attract appropriate level of investment to ensure enough reserve margin, and investment in generation has become more erratic with more pronounced boom-and-bust cycles².

Reliable electricity supply is crucial to the sustained development of Hong Kong

- While people may argue that de-regulation would not automatically lead to unreliable supply, causal relationship between de-regulation and unreliable supply is not without precedent. The contribution of de-regulation to the August 14 blackout in the northeastern part of the North America was concluded by the Investigation Tarkforce expert team³. Other blackouts, e.g. those experienced by European countries in 2003, highlighted the complexity of operating an open market in interconnected systems, which may be stressed to their limits when there is no perfect coordination among interconnecting parties as well as when the electricity trading volume exceed what the network can handle.
- A power system needs to maintain supply and demand balance at all times, which is the fundamental unique characteristics other markets do not possess. With lower investment incentives and difficulty in maintaining perfect coordination between interconnected systems undergoing myriad of trading activities, instability in any single part of the interconnected network may lead to cascading tripping and hence blackout of the whole system.
- Moreover, in an interconnected system operated under an open market, there are thousands of participants and it is not difficult to recognize that the line of responsibility and accountability would be blurred. Since Hong Kong is small, there are not enough local players in Hong Kong for an open market, and the only choice is to introduce new players from the mainland China. Therefore an open market in Hong Kong means a more interconnected system between Hong Kong and Guangdong, and that is where the risk is brought into the picture.
- 9 From the overseas blackout experience, it can be observed that economic loss of blackouts, which is actually the cost of lesson learnt, is huge. For example, the cost of the blackout in the Northeast America in 2003 was estimated to be US\$40 to US\$100 billion⁴.

System Outage Task Force to examine the possible relationship between deregulation and the blackout.

4 "Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations" by U.S.-Canada Power System Outage Task Force, April 2004.

Paul L. Joskow, "The Difficult Transition to Competitive Electricity Markets in the U.S.", AEI-Brookings Joint Center for Regulatory Studies, Related Publication 03-13, July 2003

Peter Crampton and Seven Stoft, "The Convergence of Market Designs for Adequate Generating Capacity", March 2006
 Jack Casazza, Frank Delea, George Loehr, "Contributions of the Restructuring of the Electric Power Industry to the August 14, 2003 Blackout", Power Engineers Supporting Truth, August 2005, which is part of an overall effort of the U.S.-Canada Power System Outage Task Force to examine the possible relationship between deregulation and the blackout.

- 10 Then we may want to ask ourselves whether we can easily switch from one regime to another when we find the first one unacceptable. Unfortunately, the answer is negative. Despite the huge economic cost of blackouts, it is always politically difficult, if not impossible, to switch. People would rather "amend" their decision rather than change the decision completely due to political pressure. Such pressure stems from the insistence of the ideology that "competition is always good". It is also possible that people do not know what to do next after reform mistakes. Typical example is California. They are now stuck in the middle, neither regulated nor deregulated, and this has already lasted for several years since their rolling blackouts in the 2000/01, and is expected to continue in the short-term future.
- Hong Kong as a financial hub of Asia cannot tolerate any blackout as that would seriously impair Hong Hong's economy. Moreover, with the daily lives of Hong Kong people relying heavily on a reliable supply of electricity, any widespread or prolonged supply interruption would also create safety and social problems. This was also reflected in the responses to the stage 1 consultation that reliability is the number one priority.

We should not take on the huge risks of open market while the net benefit is still unknown

- While we understand the risks of introducing open market, people may argue that we should still pursue with it despite the difficulties and challenges since the ultimate target is what everyone wants. My view is that even though the ultimate target might be good, it may not be better than other alternatives, and it may even not be able provide net benefit.
- 13 From public policy point of view, I think the first and most important criterion the Government must adopt for decision making is whether a policy offers economic benefits to the society. It is only after we conclude that there are meaningful benefits to the society as a whole could the government then think about the allocation of benefits among stakeholders, which may be based on other principle including social equity, etc.
- 14 Thus, we must be clear about whether open market would bring us the benefit large enough to justify taking the risks. Unfortunately I believe the answer is negative.
- 15 Although there are various overseas countries introducing competition in their electricity supply industry, there are different drivers behind, e.g. some are driven by the privatization of government-owned assets, while others may want to improve efficiency. However, there are criticisms that it is difficult to accurately evaluate the economic benefit of a reform or the economic benefit is actually negative⁵.

- Evans, J. and Richard Green, 2003 "Why Did British Electricity Prices Fall after 1998?", CMI Working Paper 26

⁵ See

⁻ MacKerron, G. "Cost and Benefit of 100% Open Market", Energy Regulation Brief, April 2001, NERA

⁻ Seth A. Blumsack, Jay Apt, and Lester B. Lave "Lessons from the Failure of U.S. Electricity Restructuring", a presentation at the Annual Meeting 2005 of the Sloan Industry Studies about "Why deregulation electricity is not a good idea".

16 Therefore, while it is technically feasible to implement an open market, and some of the other countries have actually introduced it, we should not just do it for the sake of achieving some moral high ground concept, nor should we do it because others are doing it. There may be some other reasons why others want de-regulation. But in our case, unless we are sure that de-regulation is justified from economic point of view, the Government should not embark on any concrete measures other than close monitoring of the development of electricity markets around the world including the mainland China.

An integrated South China market can only be established in the long-term future

- 17 Even though the Government might decide to go for de-regulation, the appropriate timing is also crucial to the successful implementation. For timing, one must make sure when the pre-conditions for a successful open market are present. Among other things, one very fundamental requirement is that there should be surplus supply. Moreover, such surplus supply must not be momentary but should be sustainable.
- As a matter of fact, the mainland China, and especially Guangdong, has been suffering from power shortages since the late 90's. While someone speculate that the supply and demand will become balanced in the coming few years, there may not be a healthy reserve margin. Moreover, even there is some reserve margin, such surplus may just be maintained for only a short period of time and could not last for long. This is because with a double-digit electricity growth rate, any minor deviation between the supply and demand growth rates would create a significant supply/demand mismatch just over a few years time. As a result, there would be boom (surplus) and bust (deficient) cycles of supply, which is expected to appear alternately unless the system becomes mature. This can be demonstrated by the fact that the surplus in the mid 90's was quickly washed away by the strong demand growth in the late 90's, and supply shortage was then resulted. Thus, a sustainable surplus supply situation is a pre-requisite of open market, but is not likely to appear in the short to medium term future.
- 19 Besides surplus capacity, a successful market must be a level playing field. Thus, it is also essential to have harmonized legal, technical, commercial and environmental standards and regulations between Hong Kong and Guangdong or even the whole South China before a market could be implemented. I understand that there are various reform initiatives underway in the electricity market in the mainland China, and I believe that a meaningful market could only be established in the long-term future.
- 20 Therefore, I agreed with the government that the electricity market in the mainland China should be closely monitored so that the decision as to whether Hong Kong should have an transition to an integrated market can be prudently made.

A good proposal must be internally consistent

- 21 Therefore, based on the above reasoning, I support the Government's proposal to continue regulating the electricity supply industry in Hong Kong by means of bilateral contract similar to the current Scheme of Control Agreement.
- While the Government proposes to continue with regulation, it also proposes some changes to address public concerns. Since this is an important policy, it is absolutely crucial that it is accepted by the public. Nevertheless, the proposal cannot be accepted by the public if it cannot achieve the policy objective, what I call the primary objective, i.e. reliable supply at reasonable cost with minimum environmental impact.
- Whether the proposal can achieve the primary objective depends on the detailed formulation of the terms of the proposal, and one of the critical elements is internal consistency. This is because if there are inconsistent elements in the proposal, there will be uncertainties to the stakeholders. One of the outcomes is that investment incentives would be reduced.
- 24 Unfortunately, the current proposal put forward by the Government contains inconsistent terms, which, I believe, is due to the fact that there is another objective the Government wants to achieve, which I call it the secondary objective. This secondary objective is the transition to an open market, and these two objectives are intrinsically contradicting as I would elaborate in the following.

One can have a regulated market, or an open market, but not both

25 While I understand that the Government wants to have flexibility in the future regime, in particular the regime after next, the fundamental principles of having an internally consistent regime post 2008 should not be undermined. The refore, while grid access is needed in an open market, the Government must not try to introduce grid access in a regulated market.

There must not be grid access in a regulated market

26 In the consultation, however, the government proposes grid access to all new generation sources including those from the mainland China. While the Government does not clearly state the timeframe of implementing such kind of grid access, it would be dangerous for the Government to create public expectation that such grid access could be provided under the regulated regime post 2008.

27 Moreover, grid access is only one of the many elements in an open market. There are other things needed to create an open market, in which a pool with well defined clearing rules for generation wholesale market is obviously a must. Moreover, there must be imbalance settlement mechanism as well as ancillary services mechanism, just to name a few. Thus, while the Government wants to prepare for the future open market, which I doubt very much, it must not lose sight of the complexities of an open market and should not introduce anything that makes the regime a hybrid of regulated and de-regulated market.

It is chaotic to have customer choice in a regulated market

- Another inconsistency is that the Government allows customer choice in the proposal. Although this is not explicitly stated in the consultation paper, it is stated by the relevant official just after the launch of the consultation. When China Hong Kong Power (CHKP) announced its plan to provide supply to Hong Kong consumers, Economic Development and Labour Bureau expressed that they welcome new players to the market. CHKP also told the media that it would build their own network in Hong Kong to provide the supply. Based on the above information, there are two problems here.
- 29 Under the SCA, power companies forecast of electricity consumption of its well defined customer base, make investments in the necessary facilities, and recover their costs through collecting revenue from the customer base. To mitigate market power, the Government put a cap on the maximum return the power companies can earn. If there were competition, there should not be return cap.
- 30 Secondly, as far as I understand, electricity supply industry is capital intensive, and there are significant economies of scale, in particular for the power network. As far as I understand, there is no duplication of network investments in any jurisdiction. Otherwise, it would become a waste of resources. Therefore, network owner is always a monopoly no matter the market is regulated or de-regulated
- 31 Thus, with CHKP, the network investment would be duplicated, at least in the area where CHKP wants to provide supply. This duplication of resources is uneconomical and wasteful from society point of view, and is therefore unacceptable to the society. Moreover, with customers leaving the incumbent power companies, the cost of the original investments has to be recovered from the remaining customers, which is unfair to them since new entrants are not obligated to provide supply to all customers. Thus customers not accepted by the new entrant would have to bear the costs of the customers left, which is illogical and unfair.
- 32 In fact, open market is just a means not an end. Thus, it should not be regarded as one of the objectives they Government or the society wants to achieve.
- 33 With the regime internally consistent is the necessary but not sufficient step towards a sustainable regulatory regime. There are also some principles that I want to emphasize, which are crucial to the sustainability of a regulated electricity market.

Environmental improvement is a priority, but "user-pay" principle must be upheld

- 34 The first principle is "user-pay" principle. As mentioned in the consultation paper, the Government wants to "avoid passing the cost of environmental improvement to the customer as far as possible". This is against the "user-pay" principle. Since better environmental performance comes at a cost, and such improvement is for the benefit of the whole society, the costs must be borne by the consumers. If the end users are not paying the total cost of the service or product they are consuming, then there would be tendency for them to consume more than they would otherwise, which is obviously wasteful, as the benefit they enjoy is larger than the price they need to pay. Moreover, the consumers would then be subsidized by other stakeholders, which is unfair and not making any economic sense.
- 35 Therefore, giving a lower return to emission reduction facilities is illogical as part of the cost, i.e. part of the return to the investors, is not borne by the end users.

Return must be commensurate with risks

- 36 The second principle is "return commensurate with risks". This is important as reliability can only be achieved if there is adequate investment, which relies on investment incentives.
- 37 In the consultation paper, the Government proposes a significant reduction of the rate of return as well as a number of proposals that may significantly increase the risk profile of the regime as compared with the current SCA. If the balance between risk and return is not managed properly, investment incentives would be jeopardized and hence reliability would be affected. I would like to highlight the issues which significant risks are introduced.
- 38 The first issue is the duration of the regime. As investments in electricity supply industry take a long lead time and asset lives are normally as long as 30 years or more, the duration of the regime should be compatible with the asset lives. The current proposal of 10 years is obviously too short.
- 39 The second issue is the reward/penalty mechanism based on the performance of the power companies. Among the various aspects of performance, the consultation paper highlighted the environmental performance. Since emission caps are set by the Government, the risk of such mechanism would depend on the how targets are set. One of the driving factors of emission level is the mix of fuel. Right now it seems to me that there is no clear policy as to the proportion of different fuel types for electricity generation. If there is no clearly defined mechanism to set the target, and the extent of penalty is significant, then risk to investor would be hugely increased.

- 40 The third issue is tariff approval process. Under asset-based regime, tariff is a result of costs rather than input to the regime. Since the ability to recover cost is determined by the tariff level the power companies can charge their customers, the process of tariff setting has an important bearing on the risk the power companies face. While it is recognized that every customer is interested in the tariff level, a sound tariff setting process must reflect the underlying prudently incurred costs and ensure financial viability of the power company. The consultation paper proposes affordability being one of the bases for determining the tariff level. Since the cost structure of power companies in Hong Kong is not related to any local economic indicators, and also affordability is only subjective and relative, there would be a lot of uncertainties for such price setting mechanism, and significant risks to the investors would be created
- 41 To conclude, my comments and views can be summarized as follows:
 - i As reflected by the views collected in the Stage 1 consultation, reliability is what underpins the sustained development of the economy of Hong Kong, and should be ensured no matter what changes are to be introduced to the regulatory regime.
 - ii Do not embark on any measures towards an open market unless clear economic justifications can be demonstrated and all pre-conditions of a meaningful market for the south China region are present.
 - iii If open market is justified, there must be an orderly transition so that reliability can be maintained.
 - iv For the regulatory regime, two principles must be upheld. The first one is "user-pay" and the second one is "return commensurate with risks".
 - v The current performance of the power systems in Hong Kong is excellent and should not be taken for granted. Do not change for the sake of change.

Ir. TK Chiang 31 March 2006



"tkcheung"

 $To: <\! electricity comment stage 2@edlb.gov.hk \!>$

cc:

Subject: Electricity Consulation Paper Stage II
Urgent Receipt

27/03/2006 19:43

Stage II consultation to EB.doc

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sir,

Comments on Stage II Consultation on Future Development of the Electricity Market in Hong Kong

From the recent papers published in the newspapers, the government seems to be lack of clear directives to work out a viable plan to control the electricity power sector development in terms of broad term policy and the permissible financial returns. This is understandable as after all the government has been used to set out policy and regulations for the general industry to follow. In the present case, it seems more confusing in the wake of the bitter experience from deregulation in power industry in most westernized countries.

I have the following comments to make:

- 1. The government shall keep itself aloof from being involved with the technical details of the actual arrangement. All it has to do is to appoint or set up a central energy board to look after the technical details and to oversee all financial plans of the power companies. The central body shall be accountable to the government and the general public on all energy issues, keeping them informed of the pros and cons of the tariffs arrangement. Large scale investment in power stations shall be vetted by this central board.
- 2. The tariff shall be scaled down to give a guaranteed rate of return below 9% of the capital investment, and this rate of return shall be reviewed every 10 years. Incentives shall be offered for the use of green electricity that is environmentally acceptable, such as renewable energy, use of clean fuel (LNG) and the promotion in use of waste heat for electricity generation.
- 3. Active pursuit shall be made for interconnection with the mainland China power

grid, which has been making remarkable inroads in nuclear power. By the year 2009, it is likely there will be surplus of electricity to supply to Hong Kong. In the meantime, it is advisable to encourage more interconnection in the grids between CLP and HKE, which will scale down the necessity of keeping reserve generating plant capacity and keep the investment steady at the present level for optimization. HK is too small a place and we cannot afford to accommodate two independent power companies – it is definitely reflected in the tariffs due to duplication in manpower and equipment.

Regards

A humble citizen in HK



To: electricitycommentstage2@edlb.gov.hk cc: Subject: Future Development in the Electricity Market in HK - Stage II

Consultation

Urgent Return Receipt

- 1. It is preferable to have only one power company in one region for economies of scale ${\it \prime\prime}$.
- 2. The length of the new SOC should be 15 years for stability.
- 3. Please place more emphasis on environmental protection rather than electricity price.

TLUI

---- Message from on Mon, 27 Feb 2006 16:48:42 +0800 -----

To:

CC:

Subject: Future Development in the Electricity Market in HK - Stage II For sending to admin@iee.org.hk

For the subject Paper, I have the following views:-

Many people urge for opening up of the market so that the electricity tariff can be lowered. This paper also proposes a 10-year regulatory period with an option to extend for another 5 years. It seems that the Government is preparing to open up the market in 10-15 years' time.

Many people regard that the de-regulation can break down the existing monopolistic market situation. In fact, the present situation is a result of "Nature Monopoly". The electricity market is very capital intensive and "economies of scale" is the utmost importance. Even if the market is de-regulated, it will be hard to introduce enough participants to create a competitive market. In all situations, the final result will still be a monopoly to achieve "economies of scale".

By its nature, investment in electricity industry is very long term. Many assets such as generators and transmission devices have over 30 years' of life. Such assets are also non transferable. A regulatory period of lower than 15 years will discourage the investors from new investments, especially when it is near to the end of regulatory period. 15-year period is the minimum regulatory period if we want to keep the existing service quality of electricity supply.

The regulatory regime with return based on average net fixed asset is simple and effective. It protects both the investors for surety of return and also the customers for reasonable charge and reliability. However, the Paper proposes to classify the power assets into 4 tiers with different rates of return. This is highly undesirable. This is an intervention making the investments less effective. Moreover, this also

discourages investments in environmental protection facilities because of the low return rate.

I support more stringent requirements to be set regarding environmental protection but it should not be tied with any deduction of the permitted rate of return. It should be a penalty system applying when the power company exceeds the emission limits.

LUI Chi Kin

For Future Development of electricity riarket in 14k. Stage I Consultation.
Dear Sizi
I lived in 14th since I was born I would like to express my concerns in above typic:
(1) I don't believe the price of electricity can be reclued in open and highly competitive market, especially in residential area.
a great offert to society in every aspect of the community and built up a good culture to ensure the least pollution to the earternest. Have you encounter those factors in future development of the electricity market in Its.?
3) A stable market and investment plan is important to it is especially something another. To open the market or increase the competition sometimes is not good for the society. For example, open the telecom market and volatile telecom maistry has impact to the employment market in ide.
Reliable electricity is really important to 1th and the image
(5) The uncertain of the pard and unclear plan is not good for company mostment and Juture H.K.
Régards.
· To Kelyn.

香港中環下亞厘畢道 中區政府合署中及東座 2 樓 經濟發展及勞工局

局長先生:

回應第二階段諮詢文件

本人對政府推出之諮詢文件作以下回應。

規管協議年期

本人認爲電力基建的投資週期長,政府應提供較長的協議年期,以確保投資者願意繼續投資。本人覺得維持協議年期於 15 年是恰當的。

7-11%的准許回報率

諮詢文件建議一個四層架構的 7-11%准許回報機制。我認爲建議的准許回報率訂得過低,難以吸引投資者繼續長期投資於電力行業。相比其他投資期長的行業,本人認爲 7-11% 的回報率偏低。

我認爲政府在制訂相關規管機制時,要確保香港可繼續維持現時穩定及可靠的電力供應。

請參考本人上述觀點。

To Mei Yi

二零零六年三月二十九日

"TO SHIU HANG"



31/03/2006 11:15

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

TO SHIU HANG

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings,
Lower Albert Road, Central,
Hong Kong

29th March 2006

Dear Sir,

Comments on Stage II Consultation Paper On Future Development Of the Electricity Market In Hong Kong

I would like to express my views on future development of the electricity market in Hong Kong as follows.

In order to have a safe and reliable electricity supply, the electricity plants have to be periodically maintained and upgraded/renewed and this inevitably requires continuous investments. Without reasonable rates of return, power industry will not be attracted for huge and long-term investment, which in turn will jeopardize the supply reliability.

Besides, the proposed government approval for tariff adjustment will shake the protection of costs and permitted returns for the power companies. It will also be affected by political pressure.

Please negotiate with the power companies to reach for a mutually beneficial scheme, which can maintain good economy future of Hong Kong.

Yours sincerely

To Siu Foon





To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
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Sign:			_					



<electricitycommentstage2@edib.gov.nk></electricitycommentstage2@edib.gov.nk>
Views on the Government's Consultation Paper on the Future
Development of the Electricity Market in Hong Kong - Stage II
Consultation

☐ Urgent ☐ Return Receipt

Dear Sirs,

I would like to submit my views as follows on the Government's Consultation Paper on the Future Development of the Electricity Market in Hong Kong – Stage II Consultation:

- 1. I <u>support</u> the basic objectives the Government's energy policy is to ensure that the public can enjoy reliable, safe and efficient energy supplies at reasonable prices, and to minimize the environmental impact caused by the production and use of energy.
- 2. Base on the high reliability of electricity supply, I support to continue the Scheme of Control. The tariff is affordable which only 1.7% of the average household income is.
- 3. To encourage on-going investment is important for the reliable power supply in the long run, I_support to use the current permitted return by average net fixed.
- 4. In view of the long asset life and the asset are very difficult to relocated, the year of agreement should be long enough. I **disagree** to shorten the duration of the Scheme of Control regime.
- 5. To encourage power companies to further improve the gas emission, <u>I suggest</u> giving more incentive to the power companies to invest on environmental improvement equipment. <u>I disagree</u> the lower the return on the environmental installation.

Best Regards,

TO, Yip-lam

Registered Professional Engineer

Chartered Electrical Engineer



Mr. Jonathan McKinley
Secretary, COMPAG
Economic Development and Labour Bureau
Government Secretariat
Central Government Offices
Lower Albert Road
Hong Kong

2 February 2007

Dear Mr. McKinley,

Thank you for your letters of 6 November 2006 and of 14 December 2006 regarding Hong Kong's Competition Policy.

We note that your letters are addressed to the Tobacco Institute of Hong Kong Limited (the "Institute") and would like to bring to your attention that the Institute was dissolved in January 2005. Following, the Tobacco Association of Hong Kong (the "Association") was established in April 2005 to replace the Institute as the representative of the tobacco industry.

The Association is formed by major leading companies in the tobacco and related industries who are committed to a collective industry effort to address tobacco-related issues. Founding members are British-American Tobacco Company (HK) Ltd., Japan Tobacco Inc., The Pacific Cigar Company Limited, and SUTL Corporation (Hong Kong) Limited.

The Association is committed to establishing an ongoing, constructive working relationship and dialogues with the Government and other key stakeholders, and drives the Hong Kong tobacco industry to continuously support important tobacco related issues including youth smoking prevention and anti-illicit cigarette initiative.

The Association's office bearers are:

Chairman: Liel Miranda (Marketing Director, British American Tobacco China)

Vice-Chairman: Icy Leung

(Business Unit Manager, British American Tobacco Hong Kong)

Vice-Chairman: Fujio Seyama (Director, Japan Tobacco Hong Kong Limited)

Executive Secretary: Philip Ho

(Head of Corporate and Regulator Affairs, British American

Tobacco Hong Kong)



We would appreciate your Bureau to contact us directly on any matters related to the tobacco industry. I may be reached at

Thank you for your attention.

Sincerely,

MA

Philip Ho

Executive Secretary

"Tobey Chan"

19/03/2006 13:29

To:	electricitycommentstage2@edlb.gov.hk
cc:	
	我要清新空氣
-	☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tobey Chan

"Tobi Lothian"

24/03/2006 13:05

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

"TOBIAS C DOERINGER"



To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: TOBIAS C DOERINGER

"Tobin Hammerberg"



23/03/2006 08:17

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tobin Hammerberg

"Toby Bland"



To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	_Toby	Bland
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"toby chow"



25/03/2006 07:59

To:	electricitycomm	entstage2@	edlb.gov.hl
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cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

toby chow

"Toby Cooper" 23/03/2006 17:25

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a

Dieacii	OI (JICan	air.					
Sign: _			Toby	Cooper				

"Toby Davies"



25/03/2006 10:05

To: electricitycommentstage2@edlb.gov.hk

CC

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Toby Davies

"Toby Glover"



22/03/2006 16:08

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Toby Glover

Toby Jones 27/03/2006 22:56

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: To: Economic Development and Labour Bureau
Urgent Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. To protect my health, and the health of my family, I demand that the Government enhance the control of air pollution due to the power generation, under the future electricity market. This "future market" must not become the pretext for power companies to escape their social and environmental responsibilities to protect.

I recommend:

- 1. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be transferred to consumers;
- 2. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 3. An investment in renewable energy should earn an even higher level of permitted rate of return;
- 4. An Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 5. The targets and time-table for reduction of coal burning should be set;
- 6. Cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- 7. Demand management must be built into the profits of the company. There must be a mechanism where they profit if they can significantly reduce energy demand. At present they only profit from Increased demand.
- I demand that the SAR Government bring back clean air to Hong Kong. I and my family need a breath of clean air.

Regards Toby Jones

"Toby Marion" 26/03/2006 18:17

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	1 01	crean	air.					
Sign:			_					

"toby weltzien" 30/03/2006 14:26

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

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Sign:			_				

"Todd Prado" 24/03/2006 08:54

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_					

"todd roach"



24/03/2006 08:51

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			-				

"Todd Wong"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 15:35

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	_Todd	Wong
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 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

toe

"Toko Ishigaki"



23/03/2006 18:04

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

Addition to the following statement, I would personally like to say every time I fly back to Hong Kong from overseas, I get greatly disapointed by diving into the filthy polluted grey thick air layers covering all Hong Kong. I was in Tokyo two days ago. Tokyo has clean air with the blue sky and that Hong Kong doesn't? I am from Japan and I never had any skin problems until I moved to Hong Kong 7 years ago. I can't stop caughing for the last two weeks in this thick smog. Addition to the protest against to the emission of the toxic from coal power stations, I want to demand the total elimination of all the diesel cars. Back home (Sendai), buses need to stop engines whilst waiting for the red traffic. Also, it was a huge culture shock when I arrived Hong Kong and knew there is no recycling system or people even didn't know the concept of it. People do not separate any garbages, they throw out the pet bottles and papers and plastic trays. When considering environmental issues the recycling issues must be taken considered as well.

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies??licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

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"Toland Sherriff" 27/03/2006 19:02

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Toland Sherriff

"Tom Ashworth"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 09:38

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
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breati	1 01	Clean	air.				
Sign:			_				

"Tom Booth"



To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

		_	
Cian.	$T_{\cap m}$	Booth	

"Tom Ching" 30/03/2006 09:34

To:	<pre><electricitycommentstage2@edlb.gov.hk< pre=""></electricitycommentstage2@edlb.gov.hk<></pre>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

芯明付些以的比为目化市不	7 监人,和中氏	口月列工制。
(署名) 啟		

tom farnen"



28/03/2006 12:31

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

-			
Cian.	T_{Cm}	Farnen	
DIGIT.	T OIII	rarnen	

"Tom Grainger"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 13:37

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Signed: Tom Grainger

"Thomas Handley"



27/03/2006 23:39

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tom Handley

"Tom Hou" 31/03/2006 09:34

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong** ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	1 01	Clean	air.				
Sign:			_				

"Tom Li" 24/03/2006 16:22

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_					

"Tom Lim"

24/03/2006 15:47

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Dreath	OL	Clean	air.					
Sign: _			_					

tom lit

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 關於開放電力市場

☐ Urgent ☐ Return Receipt

12/03/2006 21:47

身為市民當然贊成電費減價, 開不開放電力市場,對我們大眾市民來說並不重要! 重要的是一定要保持供電平穩! 價錢合理!

相信做生意的,如果久不久停電半日的損失, 遠比減一,兩成電費所賺的為多! 如果政府能絕對保証電力市場開放後,供電情況會穩定過現在,可以考慮! 否則我情 願維持現狀!

其實不看實際得益數字. 13.5%利潤不算太高. 希望政府能與兩電達成共識! 電力公司的成本也不少呢!

希望政府慎重其事,免將來有問題時,市民怨聲載道時,又要找官員出來承擔責任!!

"Tom Mulvey"

18/03/2006 01:52

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: POLLUTED AIR KILLS

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong resident I now suffer quite badly from the bad air quality in Hong Kong and the air pollution caused by the power stations. The government should be more concerned about the health of citizens and residents and take urgent steps to safeguard our health. Health problems related to the pollution are a burden to the public and to the health services .

The power companies should have conditions set , linked with the total emission caps set under the power companies' licences. Companies which cannot achieve the caps should have their rate of return reduced;

The targets and time-table for reduction in coal burning should be set;

It seems obvious in view of the deterioration of the air quality in recent years that this is also in part due to what is happening across the border. Coperation in renewable energy development between Guangdong and Hong Kong should be speeded up and the impact on Hong Kong citizens of the unregulated development should be clearly argued on our behalf at national and local evel.

I have had respiratory illnesses several times annually in the past 3-4 years and my doctor's only advice ,to prevent this occurring ,is

" Leave Hong Kong".It is my home and it should not be necessary for us to leave or to suffer this awful air quality if the government and the companies take their responsibilities seriously

I look forward to hearing from you.

Yours sincerely,

Tom Mulvey.

Tom Mulvey

"tom mutch"



24/03/2006 09:53

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

tom mutch

"Thomas Naughton"



24/03/2006 16:06

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tom Naughton

"Tom Royds" 27/03/2006 09:36

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tom Royds

"Tom Scarff" 28/03/2006 08:15

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

tom shum

30/03/2006 11:26

To: electricitycommentstage2@edlb.gov.hk

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

tom shum



To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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Sign:			_				

"TSANG Chiu-tong"



24/03/2006 10:05

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: tom

"Tommi Svinhufvud"



To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tommi Svinhufvud

Tommi Svinhufvud



31/03/2006 08:26

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Tommi Svinhufvud

"Tommy Tsui"



31/03/2006 03:40

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tommy	

"Tommy"

11/03/2006 17:38

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Stage II Consultation on Future Development of the Electricity

Market

Urgent Return Receipt

Regarding the caption, I have the following opinions:

- i) Since Hong Kong is an international financial centre, its supply of electricity must be reliable and safe,
- ii) As far as I myself from the lower stratum of the society is concerned, the electricity bill accounts about 2 % of my household income. According to C&S Department, the average payout is about 1.7%, so the bill is only minimal for average household. On the contrary, the transportation cost is much higher. It occupies about 8-9 % of my household income. Therefore, the tariff on the current economic climate is very acceptable.
- iii) I was given to understand that the bus companies can fetch a return of 9.7 % so the return by the electricity utility should be higher as its operation is more complex and investment being more risky. e.g. hefty sum put on hardwares could not be converted back to cash, etc. Given the present prime rate approaching 8%, the proposed permitted return appears not realistic for the investment with rising political and economic risk.
- iv) I support the present SCA to continue for a further 15 years as the utilities can demonstrate reliability and safety above 99.9 %. And the return basing on asset categorization is not desirable as it increases administrative cost. The mechanism tends to be complicated leading to unnecessary disputes.
- v) To say a fair word, the pollution nowadays is not solely created by the two utilities, all those concerned e.g. bus companies, taxis, etc, should be accountable. The head of the Environment, Transport and Labour should coordinate meetings with representative from relevant trades and scientists/specialists with a view to finding out the source of the problem and solutions instead of targeting the companies as the scapegoat.

Thank you for the attention.

Tommy Chan.

"Tommy Chu" 28/03/2006 09:04

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Sign:			_				

M K Hoi 03/03/2006 11:17

To:	electricityco	mmer	ntstage2@edlb.gov	.hk
CC:				
ubject:			e electricity markets	consultation
	☐ Urgent		Return Receipt	

Dear sir

In view of common interest to the community, we need to a have reliable electricity supply and sufficient capacity for the continuous developmentof Hong Kong. If the period for new scheme of control is too short, there may not be incentive for continuous investment from the electricity company.

The CLP Power's performance has been satisfactory over the last 15 years in terms of supply reliability, envoronmental improvement, affordable tariffs level.

I cannot imagine what will the economic loss of Hong Kong if there is blackout occurrence as in the part of the world (e.g. in Califonia, New York).

Therefore I support to extend the post 2008 regulatory regime for another 15 years such that we can have a reliable electricity supply.

Regards Tommy Hoi

"Tommy Ko"



29/03/2006 17:23

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	

Tommy Kwan

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: Electricity Market Suggestion

Urgent Return Receipt

17/03/2006 07:40

Dear Sir/Madam:

I would like to give some of the suggestion on the future HK electricity market. I think open up the electric market by liberate the grid access will not affect the electricity stability. The example in UK has shown with effective regulation on electricity market, can both offer good degree of competition and offer business a reasonable amount of return. I also suggest that even if the liberate grid access method are not been used, the rate of return for both electricity base on assets should be decrease. In recent HEC price increase has shown electricity company will exploit their rate of return to their maximum level without taken in consideration of all stakeholders.

Although Hong Kong is a free-trade market with minimum government influence, but since electricity is an absolute necessary product in city life. I recommend a good degree of regulation on rate of return is required.

I am confidence that with decreased of rate of return and liberate grid access, Hong Kong electricity is still a good market to invest.

Best Regards

Tommy Kwan

"Tommy Tse" 28/03/2006 03:15

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

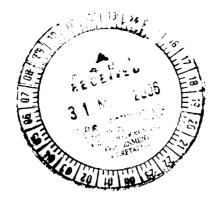
☐ Urgent ☐ Return Receipt

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30th March 2006

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central Hong Kong

Dear Sirs.

Re: Stage II Consultation on future Development of the Electricity Market in Hong Kong

- 1. Government has issued a Consultation Paper on this subject and I would like to respond thereto from the point of view of one who is both a consumer of electricity and a shareholder of Power Companies.
- 2. The main thrusts of this paper are:
 - (1) Should the Rate of Return to the Power Companies on moneys employed by them in the industry be reduced form the current rate of 13.5% per annum to a rate somewhere between 7% and 11%?
 - (2) Toward this end should competition be increased by deregulating the industry so that all qualified entities may participate?
 - (3) What further steps, if any, should be imposed on the industry to reduce pollution of the atmosphere?
 - (4) Should the next phase of control be set at 10 years instead of the usual 15 years?
- 3. The electricity industry is a huge and complex one. It involves:-
 - (1) The establishment of proper plant and machinery for the generation of power and its constant upgrading and replacement to keep up not only with wear and tear but also the times, costing billions of dollars;
 - (2) The employment and monitoring of well qualified managers and professionals as well as the employment and training of workers in the thousands and the monitoring of their work performance;
 - (3) The erection of pylons in the hundreds and the laying of cables in the hundreds of miles going through tunnels, undersea and underground and the employment of workers to repair and maintain them and generally to see that the power generated is safely and efficiently delivered to the consumers at their homes or places of business without undue interruption;
 - (4) Organizing and operating a task force to read meters, bill and collect charges from consumers.

- 4. The task is monumental and any fair Scheme of Control must provide for (1) a fair interest rate on the money employed in the task plus (2) a fair profit commensurate with the size and complexity of the industry i.e. an operational profit.
- 5. When the Scheme of Control was first introduced, the Return Rate allowed was 13.5%. In the years following the handover of Hong Kong we suffered severe economic setbacks. With it the demand for money declined sharply, and the bank lending rate came down accordingly. Stock prices, except for the Power Companies, came down sharply and, perhaps through envy, there was a public outcry for reduction of the Return Rate. The U.S. Fed Reserve kept on reducing the Fed rate at the rate of \(^1\)4 of 1\% every 6 weeks until that rate came down to just 1% per annum. Hong Kong was forced to follow suit as our dollar was pegged to the U.S. dollar and our lending rate at one time came down to about 1.5% per annum. At that point a Return Rate of 9% (7.5 + 1.5) would not have been inappropriate and that perhaps is why Government put forward the range of 7-11% (9% + or -2%). But things have changed inexorably because the Fed has now raised their interest rate to 4.5% by increases of 1/4% every 6 weeks and it is thought likely that that rate will be further increased by 3 further increases of 1/4% to 5 1/4%. If that happens our own lending rate, which is now approximately 5.2%, is likely to rise to 6% or thereabouts. We will then be back to the 13.5%. However, the industry has increased greatly in size and a small reduction in rate may be justifiable on the ground that there has been some economy in scale.
- 6. Government should be wary of pushing our Power Companies too hard. Hong Kong has had many good years of business and good living because we have had good and dependable supply of electricity. Our power companies have served us very well for upwards of 100 years. Much of East Asia is electric power hungry because emerging nations are all striving to expand their economies as rapidly as possible. Give them half a chance and they will try to lure our Power Companies away to our detriment. Many of their cities are already served by companies of which our companies are joint venture partners. If Government demotes our companies to the status of just another deregulated supplier of electricity, they, in turn, will turn our city into just another city they serve without any special attachment. Do we want that? Do not treat our Power Companies as captive operators, who must accept whatever Government chooses to impose on them. They do not deserve to be treated that way and may respond in a way we do not anticipate and may find unpalatable. They are good and knowledgeable people who have served us very well and we are envied by many nations. They are serving China, India, Australia and other nations in the capacity of joint venture partners in the power industry. Would they not be welcomed in these countries in a bigger capacity guaranteeing full and efficient supply if we should be foolish enough to drive them away from us? South Africa is the latest nation to suffer from acute power shortage.
- 7. A question often asked by the public is "why should Government grant a monopoly in an industry which is vitally important to the public?" Surely the answer is that there is a trade off. Competition usually but not always tends to lower price. The SOC controls price by equating it with what has been achieved elsewhere so that very little is lost by not having competition. By way of a trade off the SOC provides a planned, integrated, orderly and forward looking supplier of electricity that has never failed its territory in its history of well over 100 years. Maintenance is excellent and there is always someone there to anticipate and provide for growth, which is something one does not always see in a deregulated industry. The trade off is well worthwhile and should be preserved.

- 8. Deregulation is not necessarily a good thing. Ask our manufacturers, our hotels and places of entertainment, our offices and clubs whether they think it wise to endanger our excellent electricity service in pursuit of saving a few dollars a month on their very reasonable electricity bills and you will get an answer "Reduce the rates if you can do it but do not do it at the risk of blackouts and power shortages."
- 9. They will recall the havoc that New York, the northeast of U.S.A. and parts of Canada suffered in the way of blackouts and loss of business and personal comfort which they suffered in consequence of deregulation and they will say "Do not put us to that risk." Although the blackouts were caused by a series of technical faults, the underlying problem was a lack of sufficient incentive to invest adequately and logically in a deregulated market.
- 10. Besides deregulation will not necessarily bring about a smaller electricity bill. Look at what happened in California where the cost of electricity actually rose dramatically because of the chaos caused by deregulation. Poor planning and a desire to avoid supplying the poorer districts led to insufficient and illogical investment in generating capacity and in some cases to siting new plants in wrong places resulting in huge problems about distribution and transmission and its cost. There was also abuse of market power by a few generators withholding supply to exact higher charges. We are indeed very fortunate in that our 2 Power companies have effectively protected us against under-investment and malpractices.
- 11. To be sure everybody wants a smaller bill if it can be achieved. My own electricity bill averages about \$500 a month or \$1,000 for a two-month period. I have no complaints because I believe that this cost compares very favourably with charges anywhere else in the world where power is generated in the same way i.e. by means other than hydroelectric generation where fuel cost is not involved. I think that Government would do consumers a great service by informing us on how our charges compare with, charges elsewhere in the world where electricity is generated in the same way. It would, I think, ease discontent or perhaps convince our power companies that some reduction in charges may be appropriate. I believe that such a survey will show that Hong Kong's residential charge rates are:
 - i. much cheaper than in other major cities including New York, Berlin, Rome, Amsterdam, London and Paris;
 - ii. cheaper than in most other countries including Singapore; and
 - iii. not substantially more expensive than anywhere else except countries like Indonesia where fuel is subsidized out of tax-payers' money.
- 12. I believe that Government should leave well alone but if some saving can be effected by reason of economy of scale, it should be applied to the lower end of the scale where it is needed most by the under-privileged.
- 13. On the question of reducing pollution of the atmosphere, it should be noted that power generation is not the only nor even the greatest source of such pollution. The hundreds of thousands of motor vehicles burning fossil fuel cause more pollution than the power generators and they are not even fitted with filters to capture the pollutants. Another source of pollution is the unregulated factories across the border. These sources of

pollution should also be controlled instead of all being blamed on Power generators. Should we not assess the nature and quantum of the pollution present in the atmosphere and trace them to the source? The Power Companies should only be held accountable for what it causes and some of it is inevitable. Should Government not discuss with the companies what that level is and how it should be ascertained, how much of the excess Government wishes to be eliminated, how the elimination should be done and whether it is feasible and, if so, at what cost. Further investment in the form of machinery or equipment will be necessary which the Power Companies cannot be expected to absorb without a clear understanding as to how it is to be recovered. Surely these are aspects which must be dealt with between Government and the industry unless Government thinks that these additional burdens can and should be borne by the industry without additional compensation which seems to be an absurd supposition.

- 14. I agree that air pollution causes serious health problems and that Power Companies should be required to cut back on pollution as fast and as far as can be managed having regard to the technology currently available. The question is how the cost should be funded or refunded.
- 15. I believe that currently generators can be switched from burning fossil fuel to gas and/or bio fuel, that filters should be used to catch pollutants which are capable of being captured. In the near future perhaps wind-turbines and solar power can be introduced to reduce dependence on fossil fuel generators but it is thought that these sources are only capable of supplying as little as 15% of our power needs. Nuclear power can also be considered but this source is not without its own problems such as nuclear waste disposal and Chernobyl-type accidents. In the longer term wave and current source can be investigated as a form of hydro-electrical generation. The strong currents at Kap Soi Mun could perhaps come in handy but the technology is, I believe, many years down the line.
- 16. Compliance with Government's requirements regarding reduction of emission will require considerable further investment. Is it fair to reduce the time allowed for recovery of this fresh investment as well as to reduce the permitted Rate of Return? Government should work this out with the Power Companies either by increasing the Rate of Return or by sticking to a 15-year framework or both.
- 17. In short, a clean air campaign can only be mounted if there is a workable arrangement between Government and the industry and this can only be achieved after very close consultation between them to determine firstly how much cleansing is feasible in a cost-effective manner, next how much it will cost and finally how it should be funded. If Government is prepared to fund the project in full then well and good. But if Government expects the industry to do the funding without a subsidy, then how does it intend industry to recover the outlay over time?
- 18. Why is Government abridging the next term of the SOC to 10 years instead of the usual 15 years? The Power industry is a very expensive one to set up and to modernize. Equipment has a normal life of 30 years or more. Lead time to installation is a few years. Is it fair for Government to demand that the Power Companies install the additional machinery and assure them of use for say 5 years only after which they are left with machinery for which they may not have any use and which they will have to sell to the deregulated industry at give-away prices. If Government is abridging the

term because they regard it as a transition period leading to deregulation, it should come out in the open and say so. Government is or should be the source of justice and fair play and if it is its intention to deregulate, they should from the start set up conditions where the playing field is level and no one gets any advantage or suffers disadvantage because pertinent facts are withheld at the pertinent time which is now.

19. We have had very good service from our Power Companies. Please do not upset the applecart for the sake of a few dollars if we are not now having to pay substantially more than consumers elsewhere.

Yours faithfully,

Complex

Tommy Wu

"Tomomi Kosaka"

24/03/2006 15:52

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tomomi Kosaka

"tomson wong" 30/03/2006 11:48

To:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>
CC:	

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

"Tonda Paulsen"

24/03/2006 17:43

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_					



PT Leung

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: Electricity Price

☐ Urgent ☐ Return Receipt

19/03/2006 22:18

Dear sir/madam,

I suppose the profit margin of the two HK power utilities are quite high and they Have made a tremedrous amount of money last year. If the power companies make high profit and the small business/industries and the general public are sufferred from the high electricity price, the economic growth of HK will be affected. I agreed with the opening of the electricity market.

Tong

"Tony Cheng"



23/03/2006 22:38

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與 成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tony Cheng

"tong chui mei"

cc: Subject: 我要清新空氣

我要清新空氣 ☑ Urgent ☑ Return Receipt

To: electricitycommentstage2@edlb.gov.hk

21/03/2006 10:34

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tong chui mei

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,

Future Development of the Electricity Market Development in Hong Kong <u>Stage II Consultation</u>

Electricity supply service in Hong Kong is one of the best in the world and I am very happy with the current level of electricity supply reliability. For the above captioned consultation, I would like to voice some of my concerns.

I have no doubt that reliability of electricity supply is very important and the objective of the future electricity market development should be on maintaining reliability. But, some proposed changes in the consultation paper such as reducing permitted return and shortening the regulatory period will have some impacts on the reliability of electricity supply. It is my view that the reduced incentive to the power companies might lead to insufficient investment in electricity infrastructure, and supply reliability might be compromised.

I would like the Government to evaluate the proposals in the consultation paper with caution, so that Hong Kong will continue to have an adequate and reliable electricity supply.

Yours faithfully,

Tong H.Y. Michael

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Mr Ip,

Comments on Stage II Consultation

I would like to make my comments on the Consultation Paper as below:-

- a. I disagree to shorten the regulatory period to 10 years and lower rate of return to 7-11% since both the proposals will lead to the under-investment in power infrastructure ultimately.
- b. I do not prefer the multiple tier approach by setting different rates of return for different types of assets, especially giving the lowest rate to emission reduction facilities. This will discourage the power company to invest on this category.
- c. I do not support the idea of grid access for third parties and importing power from the Mainland from the reliability concern.

Moreover, the current Scheme of Control Agreement has proved its effectiveness in developing a reliable and safe supply system at an affordable tariff. There is no need for the Government to change the current regime significantly.

Yours sincerely,

Tong Ka Chu

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Mr. Ip,

Electricity Market Development in Hong Kong Stage II Consultation

Your effort in preparing this consultation paper is very much appreciated. Electricity supply service in Hong Kong is good and I satisfy with the current level of electricity supply reliability.

I agree with the Government that reliability of electricity supply is very important and the focus of the future electricity market development should be on maintaining reliability. But, the proposed changes in the consultation paper such as reduced permitted return and shortening of the regulatory period will have some impact on the reliability of electricity supply. I am afraid that the reduced financial incentive to the power companies and much tightened regulatory requirements might lead to insufficient investment in electricity infrastructure, and might affect supply reliability.

I suggest the Government to evaluate the proposals in the consultation paper with caution, so that Hong Kong will continue to have adequate and reliable electricity supply.

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Yours sincerely,

Tong Leslie Lai Kuen

"TONG PAK YEE" 30/03/2006 14:52

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

怒請特區政府能為省港帝來一片監大,給市氏一口有新全氣。	
(署名) 啟	

"Tong Shui Lam" 23/03/2006 01:38

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

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- 3. 可再生能源的投資可享有較高的准許回報率;
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祝好

Tong Shui Lam

香港中環下亞厘畢道 中區政府合署中及東座二樓 經濟發展及勞工局

局長先生:

香港電力市場未來的發展第二階段諮詢

本人以香港電燈集團股東身份,就諮詢文件所載的五個主要建議作出以下回應:

一. 協議年期必須維持 15 年

建議的 10 + 5 年的協議年期實際上只能視作 10 年。電力行業的資產壽命長達 30 至 35 年,而且需要投入龐大資金。如要收回投資成本及賺取合理回報, 只得 10 年的年期實在太短。

二. 准許回報率必須足以吸引投資

建議的 7-11%准許回報率太低,與電力行業的風險不相稱,不能吸引所需的龐大而長遠的 投資。

三. 資產分類必須摒棄

建議的四層資產投資回報率機制,除無助解決空氣質素的問題外,還不必要地令回報計算變得更複雜、更官僚,並增加行政費用。

四. 減排罰則必須合情合理

建議將准許回報率與減排表現掛鈎的減排罰則機制實在是雙重懲罰,既不公平亦不合理。

五. 現時電價調整機制必須保留

建議任何電價調整必須先獲政府批准,令電力公司根據管制協議理應賺取的准許回報蒙 受政治壓力。

在管制計劃協議的規管下,數十年來香港的電力行業一直以合理電價爲客戶提供安全可靠的電力,並在環境保護方面表現出色。作爲一個電力行業的投資者,本人深感自豪。相信政府在考慮電力市場未來的發展時,會對管制計劃協議過往的成就給予充份的肯定,亦會認真考慮本人的意見,並在今次諮詢過程中予以反映。

>有稿TONG YALL JINK

21-3-2006

"Tony Lau"

29/03/2006 21:43

To: <electricitycommentstage2@edlb.gov.hk>

cc: "Lau Yiu-Ming"

Subject: 電力公司「管制計劃協議」

☐ Urgent ☐ Return Receipt

對於本港兩家電力公司未來要簽訂的「管制計劃協議」,本人有以下 意見:

- 1. 政府應就「管制計劃協議」與兩電有充足的溝通。
- 2. 政府在「管制計劃協議」的問題上,要顧及政府、市民及兩電的利益。
- 3. 政府應確保兩電能提供足夠及穩定的電力供香港使用。
- 4. 政府應提供經濟誘因以鼓勵兩電發展「再生能源」。

TONY

"Tony Bruno" 24/03/2006 08:43

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breati	1 01	Clean	air.				
Sign:			_				



To: electricitycommentstage2@edlb.gov.hk

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

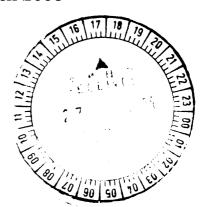
Tony Chan

25 March 2006

Economic Development and Labour Bureau 2/F, Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Mr Ip,

Comments on Stage II Consultation



After reading the Stage II consultation paper, I would like to comment as follows:-

Government is going to take steps towards market competition in phases, e.g. increased interconnection, allow grid access for RE & new supplier from the Mainland, etc. At the first glance, it seems to be good news to Hong Kong consumers as they can have choice of suppliers in the future. But is this the real case? Does open competition for such essential commodity a good thing for Hong Kong? Do we want to have our tariff lower a little bit at the expense of our supply reliability? We should remember what happened in the US or the European counterparts after opening up their electricity market – large scale blackouts & tariff fluctuation.

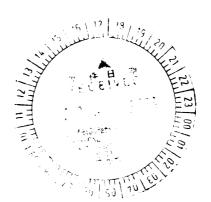
In addition, to import electricity from the Mainland is not recommended. I have no confidence in their supply reliability based on their poor track record, especially in Guangdong. In addition, relying on their tight supply is just equivalent to ask them switching on more their highly polluted plants to generate the extra power to Hong Kong. We shall them import the pollution from them indirectly.

In short, I highly recommend that the post-2008 regime should follow the current regime without any dramatic change in contents (including the setting of rate of return). Please forget about the market competition and focus your effort on the scrutiny to the two power companies on their investment plans, safety performance and customer service standard.

Yours sincerely,

long

Tony Chan



"Tony Chow"



28/03/2006 21:16

To:	<electricitycomme< th=""><th>ntstage2@edl</th><th>b.gov.hk:</th></electricitycomme<>	ntstage2@edl	b.gov.hk:
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cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Tony	Chow	(署名)	헍
	C11C W	\ 🖪 🗖 /	'HA

"DU Tony"

30/03/2006 18:55

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Future development of electricity market in HK

Urgent Return Receipt

About the future development of electricity market in Hong Kong, Dr. Raymond Ho Chung Tai have the following suggestions and recommendation:-

" The existing Scheme of Control Agreements between the government and each of the two power companies will expire in 2008. Obviously, the public would like to see that the new agreement could address the short-comings of the current agreement and there would be a continuing supply of reliable, safe and efficient supply of electricity at reasonable prices.

The government has recently launched the Stage II Consultation on the future development of electricity market in Hong Kong. Increased interconnection between the 2 power companies is among the items being explored in the consultation paper. The issue must be studied carefully given the complexity of the issue and the possible undesirable consequences to our electricity supply reliability. With regard to a related issue i.e. importing electricity from the Mainland, we must evaluate the situation carefully as supply reliability and availability of surplus electricity in the Mainland are far from certain.

It is commendable that some government departments are actively involved in promoting the use of renewable energy (RE). However, the government must provide necessary financial incentives to the two power companies for encouraging them to adopt RE. For promoting emission reduction of the power companies, financial incentives should be given too.

For the proposed ten-year term for the new agreements, I consider the period too short to attract new investment to build new facilities although the proposed 5-year interim review is a reasonable arrangement. "

I totally agree with him. Reliable, safe and efficient supply of electricity for Hong Kong is very important. I can not foreseen that the suggestion by the government is better than the existing arrangement. If the existing arrangement is already good for Hong Kong, why need large change/adjustment?

I have the following suggestion:-

- 1. The permitted rate of return shall be maintained.
- 2. Maintain the existing Tariff Adjustment Mechanism.
- 3. Emission penalty should be reasonable.
- 4. Keep the existing regulatory period (15 years is a acceptable period).

Tony Du (March 2006)

"Tony Hamilton-Bram"



27/03/2006 16:37

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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DI Cacii o	i cican a.			
Sign:				

"Tony Higgins" 25/03/2006 00:02

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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Dreati	1 01	Clean	air.				
Sign:			_				

"Tony Ho"



30/03/2006 11:15

To:	<electricitycomme< th=""><th>ntstage2@edl</th><th>b.gov.hk:</th></electricitycomme<>	ntstage2@edl	b.gov.hk:
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CC:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

_____(署名) 啟

"Tony Hodgson"



18/03/2006 13:40

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tony Hodgson

"Tony Hodgson"

29/03/2006 10:19

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Dreati	1 01	Clean	air.				
Sign:			_				

Tony Ku

30/03/2006 11:33

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Tony Ku

"Lau Chak Chung"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

31/03/2006 23:58

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	_Tony	Lau
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"Tony Lau"

24/03/2006 14:49

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution.

I strongly demand the government to enhance control in our neighbourhood cities in Pearl of South China and the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

(this is electronic document and hence NO hand-written signature is required)

"Tony Leung"

23/03/2006 18:12

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To: <electricitycommentstage2@edlb.gov.hk>

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a

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Sign:			_				

"Tony Melloy" 27/03/2006 09:17

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	IOI	Clean	air.				
Sign:			_				

"Tony Ng"



To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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I cordially demand the SAR government to bring us back the blue sky and a

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Sign:			_				



To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: セ翠ぇく篠

☐ Urgent ☐ Return Receipt

本人對目前本港之供電系統很有信心,對中華電力公司的收費也很滿意. 就開放市場方面,本人有以下意見,政府發展衛星城市時,也講求自給自足,就以魚類,雞隻,菜類為例,本港現時大部份這類物品多是進口的,當有特別事故時所產生的害處及價格的升幅,是政府不能估計及處理的.最後的受害者都是香港的小市民. 又以電訊市場開放後,最大得益是大財團,故本人絕對支持為持現有的電力市場結構.

Regards Tony Ngan

"Tony Pugh" 24/03/2006 13:34

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

22 00.0	01 010			
Sign:	Tony	Pugh		

"Tony Ryan" 27/03/2006 10:46

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tony	Ryan
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"Tony Schmidt"



29/03/2006 20:51

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
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breati	IOI	Clean	air.				
Sign:			_				



"Tony Smith"

28/03/2006 09:04

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

The air quality is Hong Kong is now appalling. It should be a major source of embarrassment to all concerned and will ultimately lead to extreme costs being incurred by the territory in terms of lost business, long-term healthcare costs etc. How much further are you willing to let this situation deteriorate?

Please bear this in mind when taking any decisions on the future of the territory.

Yours sincerely,

Tony Smith

Tony Smith

"Tony Tsang" 24/03/2006 13:22

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

PLEASE CONSIDER OURS CHILDREN'S HEALTH!!!

Sign: Tony Tsang

"Tony Wan" 27/03/2006 16:02

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Tony Wan 啟

"Tony Wong"



24/03/2006 13:20

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	1 01	Clean	air.				
Sign:			_				

"Tony Wong"



28/03/2006 21:17

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Dreati	IOL	Clean	air.				
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Economic Development and Labour Bureau 2/F Central Government Offices,
Main & East Wings,
Lower Albert Road, Central,
Hong Kong.

Dear sir,

FUTURE DEVELOPMENT THE ELECTRCITY MARKET IN HONG KONG STAGE II CONSULTATION

I refer to the Consultation Paper and would like to return my comments on the proposed 10 years regulatory period with an option to extend for another 5 years.

The current regulatory period is 15 years. In the Consultation Paper, it is proposed that the future agreement will be on a 10-year term with an option to extend by another five years. The future regulatory period is shorter than the current regulatory period by 5 years.

The reduction of the regulatory period may cause difficulties to the two power companies to plan and develop their future investment: -

- 1) Power industry is a long term nature of investment cycle. Due to the short regulatory period, the power companies may lose their bargain power to their business partners, e.g. coal supplier.
- 2) The long-life assets may probably become null after the regulatory period.
- 3) With such a short regulatory period, the risk in the investment will increase.

As the current regulatory period does not have any great objection from the public, I suggest that the regulatory period for the post-2008 to be remained as 15 years.

Yours sincerely,

Tony Yan

Tony Young 30/03/2006 23:15

To: electricitycommentstage2@edlb.gov.hk

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong ?Stage II Consultation

☐ Urgent ☐ Return Receipt

Dear Sir or Madam,

Two power companies have been operated under the Scheme of Control Agreement for more than twenty years. The reliable supply and service provided by them in the past decades proven that this scheme is a great success. To ensure efficient supply and little impact to the electricity market after 2008, I agree that the bilateral agreement arrangement should be maintained.

As Hong Kong is a world-class metropolis, reliable electricity supply is very important. Lower the permitted return to 7-11% will definitely discourage investment and lack of electricity supply in the future. Since Hong Kong has been just recovered from a recession, setting a permitted return based on the recent economy is absolutely inappropriate as it is only a snapshot comparing to a long-term investment.

Shorten the agreement to a 10-years regulatory instrument will bring uncertainty and unnecessary risk to the investors that will also lead to insufficient investment. In addition, credit rating of the power companies may be lowered and a higher financing cost will be reflected in the tariff. In this connection, I urge the agreement should be kept as 15-years regulatory instrument.

I hope the Government will give serious consideration to my response.

Yours faithfully, Tony Young

"Tonya Prendiville"



24/03/2006 16:22

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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Sign:			-				

31 Mar 2006

Economic Development and Labour Bureau 2/F, Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong

Dear Mr. lp,

Views on Stage II Consultation Paper

Our company has established in Hong Kong over 15 years. As rooted in Hong Kong, we appreciate the "small government big market" policy adopted by the Hong Kong Government over the past years. It has led to a stable environment for investors to invest in infrastructure that has made Hong Kong prosperous.

To sustain the future development of Hong Kong, a continuous investment in basic infrastructure is essential. We opine that the Government is responsible for providing adequate hardware supports to attract investors. The Government should make sure that all property rights are respected and well protected under our legal system. In addition, a sufficiently long and stable investment environment should be provided for investors to earn reasonable return from their investments.

We do have concerns about the proposals as listed in the paper: (1) the permitted rate of return to be lowered from 13.5% to 7-11%; and (2) the regulatory period to be shortened from 15 years to 10 years. Under the existing regime, the power companies have provided an excellent reliability track record by maintaining timely investment in power infrastructure. However, if the above proposals are adopted, the investment and operation risks of the power companies will inevitably be increased. Hence, the long-term reliability level will be degraded. If such happened, there should have impacts on not only our daily operation but also the whole society.

To conclude, the Government should review its proposals carefully to ensure that the current well-balanced framework and the existing highly reliable electricity supply can be maintained in the future.

Yours sincerely,

Mak Wai Keung

TOPPAN FORMS COMPUTER SYSTEMS LTD.

Unit 1075A, Hong Kong Int'l Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Hong Kong Tel.: (852) 2567 6128 Fax: (852) 2567 8718 Website: http://www.toppanforms.com

By Fax (Fax No. 2868 4679)

Economic Development and Labour Bureau 2/F., Central Government Offices
Main & East Wings
Lower Albert Road, Central
Hong Kong

Date: March 30, 2006

Dear Sirs,

Views and comments on Future Development of the Electicity Market in Hong Kong (Stage II Consultation)

We, Toppan Forms Computer Systems Limited, would like to present our recommendations on the Future Development of the electricity Market in HK as below:

1. Multi-tiered rates of return applied to difference types of assets

Comments:

- Should not differentiate types of assets as the costs of raising capital for the different assets are the same
 - The permitted return mechanism is made complicated unnecessarily
 - Adds administration costs to be borne by customers
- 2. 10-year regulatory period with an option to extend for another 5 years (at present the regulatory period is 15 years)

Comments:

- Proposed regulatory period not commensurate with the long term investment cycle of the power industry.
 - Increased risk on the investment
- 3. Electricity supply from Mainland China

Comments:

- No sign of electrify supply surplus in Guangdong in the foreseeable future
- Could lower the electricity supply reliability in HK
- May import pollution from the Mainland to HK

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TOPPAN FORMS COMPUTER SYSTEMS LTD.

Unit 1075A, Hong Kong Int'l Trade & Exhibition Centre, 1 Trademart Drive, Kowlcon Bay, Hong Kong Tel.: (852) 2567-6128 Fax: (852) 2567-8718 Website: http://www.toppanforms.com

Moreover, you could elaborate that a stable and high quality electricity supply is vital to your operations.

We have summarised 5 "should-do's" as follows:

- The regulatory period should be 15 years same as existing
- 2. The permitted rate of return should be sufficient to provide incentive for long term investment
- 3. The proposed asset classification should be abolished
- 4. Penalty on emission that adversely affect the environment should be fair and reasonable
- 5. The existing tariff adjustment mechanism should be maintained

Thank you for your attention.

Yours faithfully,

Kenneth Ko

General Manager

Toppan Forms Computer Systems Ltd

Unit 1075A, Hongkong Int'l Trade & Exhibition Centre

1 Trademart Drive, Kowloon Bay

Hong Kong

ŧ

"Torch Wong"

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the **Electricity Market in Hong Kong**

☐ Urgent ☐ Return Receipt

29/03/2006 13:43

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Cian.	Torch	Mona	
Sign:	Torch	wong	

"Torgeir Rooke"



24/03/2006 17:52

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Torgeir Rooke

"toriovedal"



23/03/2006 15:43

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Sian.	tori	ovedal	
STan.	LOLL	Ovedai	

"toshi" 23/03/2006 17:39

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

toshi	(署名)	啟
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"touzard catherine"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

23/03/2006 15:26

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
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Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
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Sign:			_				

"touzard olivier" 23/03/2006 14:18

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Dreath	OL	Clean	air.					
Sign: _			_					

"TP Lam"

22/03/2006 00:48

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

TP Lam

"Tracey Duggan"

17/03/2006 17:33

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tracey Duggan

"Tracey Duggan"

24/03/2006 10:43

To: <electricitycommentstage2@edlb.gov.hk>

CC

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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Cian.	T-200 0011	Directo	
Sign:	Tracev	Duggan	

"tracey fisher"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 16:01

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Sian:	tracev	Figher	
21011.	LIACEV	risher	

"Tracey Furniss" 29/03/2006 10:03

To: <electricitycommentstage2@edlb.gov.hk>
cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

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Sign:			_				

"Tracey Michell"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 19:48

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Sign:			_				

"Tracey Pugh" 24/03/2006 13:29

Го:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>	
CC:		

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Sign:	_Tracey	Pugh
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"Tracey Pun"



25/03/2006 13:30

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Sian.	Tracev	Dun	
Sign.	Tracev	Pun	

"Tracey Smal" 24/03/2006 12:45

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tracey Smal

"Traci Chorna" 25/03/2006 17:19

To: <electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>
CC:
Subject: Response to Consultation Paper on Future Development o

: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign: _			_					

Tracis

30/03/2006 14:09

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for ${\tt Hong}$ Kong.

Tracis

"Tracy"

27/03/2006 20:04

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the

Electricity Market in Hong Kong ☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

"Tracy and Richard Todd"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

27/03/2006 16:35

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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Sign: _			_					

"Tracy Chan" 27/03/2006 11:15

To:	<pre><electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk></pre>	
CC:		

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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Dreath	OL	Clean	air.					
Sign: _			_					

"Tracy Derry"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 18:57

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

"Tracy Fitzpatrick"



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To: electricitycommentstage2@edlb.gov.hk cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

22/03/2006 08:26

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

"Tracy Hayes-Williams"



28/03/2006 15:10

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tracy Hayes-Williams



To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tracy Hicks

"Tracy Ho" 24/03/2006 09:58

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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hт	reath of cl	lean air	<u></u>											

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Sign:			_				



To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

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- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tracy-Kim Pye

"Tracy Lee"



30/03/2006 00:15

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

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- I look forward to hearing from you.

Yours sincerely,

Tracy Lee

"Tracy Lee" 24/03/2006 16:17

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tracy Lee

"Tracy Tang"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

25/03/2006 09:15

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: TRACY TANG

"Tracy Williams"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 17:02

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations and excessive traffic on Hong Kong Roads. I strongly suggest the government take steps to restrict pollution induced by power generation and by emissions from motor vheicles. I suggest:

- 1. The permitted rate of return of power companies should be linked to the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. Investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. Increased monitoring of excessive emissions and increased powers (by legislation with criminal sanctions on persons in positions of authority within polluting bodies) for monitoring authorities.
- 4. Increased spending on public transport links rather than new roads, to reduce the amount of traffic on Hong Kong Roads.
- 5. Higher taxes on petrol/diesel consumption by motor vehicle owners to enourage use of alternative fuel sources (electricicity etc) and discourage purchase of ecologically unfriendly vehicles with large engine size and poor fuel economy.
- 6. Congestion charges (such as those imposed in Central London) on traffic wishing to use busy routes within restricted hours.

Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. The SAR government needs to establish a concrete and clear policy on energy saving with measurable targets so that improvement can be monitored.

Co-operation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I demand the SAR government bring back the blue skies, which regularly seen in Hong Kong only four years ago and are now almost continually absent, and a breath of clean air to our endangered lungs.

Tracy Williams

"Tracy Wong"

Cubi

To: <electricitycommentstage2@edlb.gov.hk> cc:

30/03/2006 10:44

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tracy Wong



Mar 28, 2006

Mr IP Shu Kwan, Stephen Secretary for Economic Development and Labour Bureau 2/F. Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Mr Ip

RE: Electricity Market, Stage II Consultation

As representatives of Hong Kong's travel industry, we write to you regarding the captioned in order to express our concern for any proposed changes to the present stability of our city's electricity supply.

We feel that presently Hong Kong enjoys outstanding electricity infrastructure. Although we recognize that there is and will be a price to pay to enjoy this convenience and necessity – in the form of higher premiums – we do not think that this is such an inconvenience. In fact, in a business that directly reflects the reputation of Hong Kong as a world-class city, namely, the inbound travel business, we do not deem such higher premiums as too much, as we rely on sound energy infrastructure to ensure that guests continue to return to our city and utilise our services.

When you consider that Hong Kong is the primary gateway to the PRC, but just as importantly, Hong Kong is the destination for an ever-growing number of citizens from the PRC, you must concentrate on maintaining a highly reliable electricity supply through sufficient investment in electricity infrastructure.

For the sake of Hong Kong's continued competitiveness, we urge the Government to ensure that this continues on its present, stable course.

Yours truly,

Owen Yau President

Our

Travel Asia (HK) Ltd.

Destination Management Company

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Travena Law 30/03/2006 17:26

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Travena Law

"Trent Rossouw" 24/03/2006 22:15

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Trent	Rossouw
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"Trent Tighe"



22/03/2006 12:49

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Trent Tighe

"Trevor Burgess" 24/03/2006 14:02

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 3. We support RE, but not incineration which generates green house gas;
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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breati	IOI	Clean	air.				
Sign:			_				

"Trevor Dick"

30/03/2006 20:34

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breath	of	clean	air.	
Sign:			_	

"Trevor Gribble"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 18:35

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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Sign:			_				

"Trevor Morris"



26/03/2006 17:10

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Trevor Morris

"Trevor Willis" 27/03/2006 10:18

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
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breati	1 01	Clean	air.				
Sign:			_				

"Trine Vigen Falkengaard"



28/03/2006 10:35

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Trine	Vigen	Falkengaard
_		_	

"Triple Mark Co."

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

29/03/2006 19:43

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

_____(署名) 啟

"Trish O'Kane"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

25/03/2006 13:42

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

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Sign:			_				



To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

trish tracey

"Tristan Ang" 24/03/2006 12:22

 $To:\ electricity comment stage 2@edlb.gov.hk$

cc:

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

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- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tristan Ang



"Tristar Knitting Factory Ltd."

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

27/03/2006 11:06

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Authorized Singnature
J. Stark
Tristar Knitting Factory Ltd.

"Triton, Ho" 31/03/2006 13:44

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Triton, Ho

Economic Development and Labout Bureau, 2/F, Central Government Offices, Main and East Wings, Lower Albert Road, Central Hong Kong

Dear sir,

Stage II Consultation on the Future Development of the Electricity Market in Hong Kong

I have read your consultation papers and as a shareholder of one of the electricity suppliers in Hong Kong I would like to express my views as follows:-

I understand that you propose a regulatory period of an initial 10 years, but I do not think this will be sufficient for an industry that requires intensive investments in fixed assets. To be fair, you should consider allowing a longer period sufficient for the power companies to recover their costs of investments and at the same time earn some return therefrom. This will serve as an incentive for the power companies to continue to upgrade their equipment. I do not think I need to remind you of the various incidences of supply stoppages abroad due to the fact that the equipment of those utilities are not keeping up with the growth in demand.

For the same reason as above, I do not think the the current permitted rate of return is too excessive. I think we can live with this rate of return as long as the utility companies continue with their good record of reliability.

Yours faithfully,

Trixie Wong



"Trond Elling Gjelsten"



23/03/2006 21:51

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong Resident, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Trond Gjelsten

"Troy MacKenzie"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

30/03/2006 13:05

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

S	ign: _Tro	У_												
Α	beautifu	1	city,	but	it	is	so	sad,	nobody	seems	to	care	about	it

"troy Sing"



27/03/2006 14:59

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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Ι	cordially	demand	the	SAR	government	to	bring	us	back	the	blue	sky	and	6
hı	reath of cl	lean air	٠.											

Dieaci	ı Oı	CICan	air.				
Sign:			_				

"Troy Whitaker" 29/03/2006 13:21

To: <electricitycommentstage2@edlb.gov.hk> cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

Urgent Return Receipt

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreath	OL	Clean	air.					
Sign: _			_					

"Trudy Frost" 26/03/2006 09:21

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air. $\,$

Sign:Trudy	Frost
------------	-------

"Trudy Samra"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

24/03/2006 14:58

To Economic Development and Labour Bureau,

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Dreati	1 01	Clean	air.				
Sign:			_				

Economic Development and Labour Bureau 2/F., Central Government Offices Main & East Wings
Lower Albert Road, Central
Hong Kong

Dear Sir/Madam,

Comment on Stage II Consultation Paper

I agree with your policy objective that reliability and safety of electricity supply are the paramount importance and should continue to be the primary objective in the future development of the electricity market. However, I am afraid that some of the policies and developments proposed in the paper could lead to a lower standard of supply reliability.

1) Varying return for different types of assets

The assets with lower rates of return (e.g. emission reduction facilities) will be poorly invested or will not be invested at all in the long run. This could lead to unforeseeable power supply and/or environmental disasters.

2) Rates of return

The suggested permitted rates of return are in the range of 7 - 11%. Based on my concern stated in item 1), same rate of return should be applied to different assets. This rate of return should be fair and attractive enough such that the existing highly reliable power supply could be maintained.

Yours truly,

Tsang Chi Lun



Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Sir,

Future Development of Hong Kong's Electricity Market

In response to your consultation on the future development of Hong Kong's electricity market, I have the following comments:

- 1. The highly reliable power supply we are having in Hong Kong today is of excellent standard.
- 2. In planning for regulations for the post-2008 regime, the government should ensure that the same highly reliable power supply must be maintained.
- 3. Proposals such as reducing the rate of return and shortening the regulatory period will make the power companies to change their investment policy. They will reduce their future investments in their infrastructures. As a result, the reliability of power supply in Hong Kong would be degraded.
- 4. The current regulatory framework is working well and all these years we are enjoying a very high quality power supply at a reasonable cost. I hope we can have the same high quality power supply after 2008.

Regards,

Tsang Chi Wai



"Tsang Chun Man"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

16/03/2006 15:24

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承 擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛鉤,未能達標須扣 減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能 源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良 方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社 會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

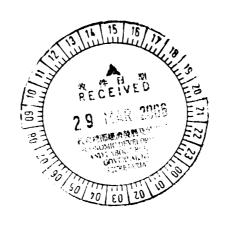
懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

__Tsang Chun Man__ (署名) 啟

就電力市場規管制度檢討,本人有以下意見:

現在政府要重新釐定兩電的利潤管制,及引入新的電力公司,這樣的話,受害的是電力公司的員工及大眾市民,影響士氣,影響供電效率,影響社會經濟...... 穩定可靠的電力是香港成功繁榮的重要元素之一.政府必須要有一個清晰,長遠的政策,穩定可靠的電力,令到投資者放心地在香港投資.另外,在商業社會停電所帶來的經濟損失是非常大的,美加大停電就是一個活生生例子.

Tsang Hin Cheung



The Economic Development and Labour Bureau, HKSAR, 2/F, CGO, Main & East Wings, Lower Albert Road, Central, Hong Kong

23 March 2006

Dear Sirs,

Views on Government's Consultation Paper on Future Development of Electricity Market in HK Stage II Consultation

I refer your consultation paper concerning the above subject and would like to put forward my opinion for your consideration: -

(A) Support

1. I support to maintain the Scheme of Control, return based on investment in order to maintain supply reliability, safety and environmental responsibility while providing electricity at reasonable price.

(B) Objection

1. Environmental disincentives

In lack of clear and coordinated energy and environment policy, which is the role of the central government in many parts of the world, emission targets could be laterally set by the regulator without practical reference ground. Also, return to encourage environmental improvement investment is low and inconsistent with the objective to reduce emission.

2. Open market

Government does not have a clear plan to migrate to a competitive market. For example, under the Electricity Ordinance, the electricity suppliers have the legal obligation to supply electricity to customers. Suppose a domestic customer whose monthly bill of less than HK\$50 at Fanling area applies for supply of electricity to both CLP and CHKP. What would be the legal proceeding if both the suppliers mentioned reject his application due to commercial reasons?

3. Shortening duration of regime

The duration of the regime is obviously too short to attract long term investment in power industry. It may result in risk of supply reliability due to less investment to build power plant in future. Please refer to the painful experience of many other countries for reduced generation capacity under deregulated operation. The citizen of HK will suffer eventually.

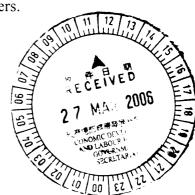
4. Lowering of investment return

The uncertainty, disincentives, penalty risk for investment are increasing. On the other hand, the investment return is capped to as low as 7% for a 30 year or more commitments. If I were the shareholder of HEC or CLP, I would opt to fix deposit my money in bank which yields a guaranteed return with minimal risk (currently the interest rate at 5%).

Finally, I hope HKSAR as a responsible government should take lead and be responsible for developing a transparent energy and environmental policy, such as the ratio of coal fuel permitted in HK. Further more, HKSAR should have a clear plan of how to transit to an open market before introduction of new players.

Yours faithfully,

Tsang Hing Kwong (Citizen of Hong Kong) Certified Engineering Technologist



Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Mr. Secretary,

Stage II Consultation on Future Development of the Electricity Market in Hong Kong

As a Hong Kong citizen and professional in financial planning, I would like to express my views on the Stage II Consultation Paper.

I appreciate your decision to largely maintain the current SCA framework, which in my view, has always been effective since its inception and can ensure the public to enjoy reliable electricity supply in Hong Kong. However, I have reservation on some of your proposals in the Stage II Consultation Paper.

I am concerned that you have proposed to shorten the regulatory period to 10 years. Electricity infrastructure has long life and is capital intensive. Your proposed 10-year regulatory period is definitely too short because it has only 10 years of certainty for the power companies to earn a return. I am afraid that with such a short regulatory period, there will be increased investment risk for the power companies. This proposal will discourage power companies from investing in electricity infrastructure. Therefore, I support that the 15-year regulatory period as adopted in the past should be maintained in the post-2008 period.

Besides. you should be very careful with your proposal to lower the permitted rate of return from 13.5% to 7-11%. You do not provide any justification for adopting the rate of return of 7-11% in the consultation paper. This lower rate of return is considered not enough to attract the huge and long-term investment for building a reliable electricity system in the post-2008 period. Therefore, you should give the power companies sufficient incentives to invest. Otherwise, there will be no new fund injected into the electricity infrastructure and Hong Kong's high level of supply reliability will be deteriorated.

I request the Government to evaluate the proposals more carefully in the Stage II Consultation Paper and my views will be seriously considered and reflected in the Stage II Consultation.

Yours sincerely,

Mar. 17. 2006

"TSANG KAR MAN"



24/03/2006 11:47

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	

香港中環 下亞厘畢道 中區政府合署中及東座二樓 經濟發展及勞工局

敬啓者:

香港電力市場未來發展第二階段諮詢

兩年後,現行的電力市場規管制度將屆滿。在第二階段香港電力市場未來的發展諮詢文件中,貴局建議繼續沿用現有的規管制度,加添一些新元素。 其中包括:縮短協議年期及降低准許回報率等的經濟規管、和環保規管;加強 兩電聯網、以及與廣東省聯網的準備;開放電網給新電源。本人對縮短協議年期及降低准許回報率等有下列的意見:

- 1. 建議的新協議從現在15年的年期縮短至10年,期滿可再續期5年。本人認 爲電力工業是一行高度資本密集的行業、資產壽命長達30年或以上;所 以10年的協議年期未必能反映這方面的要求。電力行業中的燃料供應合 約年期亦長達20年以上的特質,建議中的10年協議年期亦會增加回報風 險及窒礙投資。將協議年期從15年縮短至10年,將會製造很多不明朗因 素。
- 2. 新建議中准許利潤水平會按照不同資產類別計算,然而在諮詢文件中, 卻沒有評估建議中的回報水平是否能反映電力公司所需承擔的風險及電 力行業的基本特質;諮詢文件亦沒有清楚交代如何計算建議的准許回報 率。

若果協議年期和投資回報水平設定不適當,社會便須承受投資不足所帶來的風險,例如經常電力中斷;最終會爲經濟發展帶來沉重代價。

此致

經濟發展及勞工局局長 葉澍堃先生

Tsang Kei Yin 二零零六年三月二十九日

"tsang king man"

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清晰的維港景

☐ Urgent ☐ Return Receipt

17/03/2006 21:49

維港的吸引力大不如前了.

個人認為十個迪士尼都不及一個清晰的維港有吸引力,要發展旅遊業,吸引外地遊客, 清新的空氣絕對不可小.

把眼光放遠一點,攪好空氣污染問題絕對是一項不會有錯的投資!

tsang king man

"Tsang

"Tsang Kui Wing"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject:網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

31/03/2006 08:51

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

_____(署名) 啟

"Tsang Kwong Chung"



24/03/2006 13:14

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	Tsang	Kwong	Chung	_
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"Tsang Po Hoi"

19/03/2006 11:19

To: electricityco	mmentstage2@e	dlb.gov.hk
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cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

另外,本人一直不明白為何太陽能發電的裝置未能於本港普及起來,直至近日收看電視節目才得知,原來申請將此類裝置接上電網的程序繁複,並不容易被批准。其實,外地已使用太陽能發電技術多年,太陽能發電裝置隨處可見,技術相當成熟。因此,本人亦建議政府鼓勵港人多添置此類可再生能源的裝置,假以時日,相信定能改善香港的環境。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tsang Po Hoi

"Tsang Po Yan"



29/03/2006 23:50

To: electricitycommentstage2@edlb.gov.hk

CC

Subject: We want clean air!

☐ Urgent ☐ Return Receipt

To: Economic Development and Labour Bureau

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand to enhance the control in air pollution due to the power generation, under the future electricity market. The future market must not become the pretext of power companies that escape from the social and environmental responsibilities. I recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those who cannot achieve the caps should have the rate of return reduced;
- 2. The cost of all the emission reduction facilities, including Flue Gas Desulphurisation (FGD) facilities should not be shouldered by the consumers;
- 3. The investment in renewable energy should earn a higher level of permitted rate of return;
- 4. The targets and time-table of reduction in coal burning should be set;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in renewable energy development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- I demand the SAR government to bring Hong Kong blue sky and give us a breath of clean air.
- I look forward to hearing from you.

Yours sincerely,

Tsang Po Yan

Ts Ts

Tsang Sam

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: 電力市場的第二階段諮詢

☐ Urgent ☐ Return Receipt

29/03/2006 21:28

從國內電力引入香港,這令我產生很大疑問。

國內現正處於高迅發展階段,電力正是供不應求以致經常停電。相對於國內,香港的電力供應已算充足。那甚他為甚麼不為國內缺電的人民服務,而更將內地缺乏的電力買到有足夠電力的香港呢?正常的想發是首先滿足當地的需求,

到有剩餘能力才向外發展。那甚,香港人就請不要期望一旦電力市場開放後, 電費真的會好像內地那甚平,但帶來的可能是更多的壞處,如環境污染、電力不穩 等。

"tsang sau fong" 19/03/2006 16:23

To: electricitycommentstage2@edlb.gov.hk cc:
Subject: 我要清新空氣

Urgent Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tsang sau fong

<u>香港電力市場未來的發展</u> 第二階段諮詢

管制計劃協議一向行之有效,數十年來公司一向以合理電價爲客戶提供安全可靠的電力供應,並在環境保護方面表現出色。因此,管制計劃協議其實已成功落實政府制定的電力政策目標。

不能接受的建議:

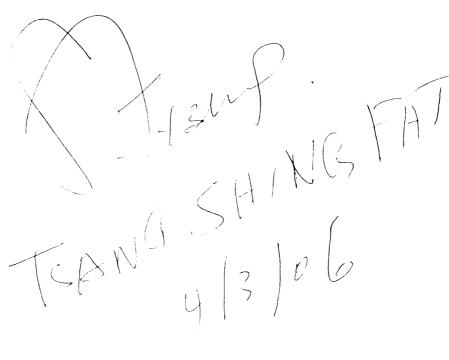
10 年**規管協議年期**: 電力基建涉及長達數十年的投資週期,規管協議年期不宜過短。請維持現時 15 年的協議期。

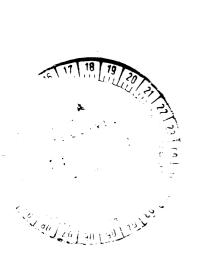
調低准許回報率至 7-11%: 諮詢文件建議 7-11%准許回報率,沒有提供任何論據支持。建議的回報率過低,不能接受。

以資產類別訂定不同的回報率: 以資產類別訂定不同回報率的做法,令規管機制複雜化,會引起不必要的爭拗,亦會增加行政成本。現時以單一准許回報率爲基礎的規管協議簡單而清晰,應該保留。

雙重減排罰則: 現行的空氣污染管制法例已訂下超越排放上限的罰則,若建議電力公司未能達減排目標又再被扣減回報率,則變成雙重懲罰,對電力公司不公平。

所有電費調整都必須得到政府批准: 電力公司應有權利就政府已批准的投資項目賺取准許回報,未來規管若容許政府全權決定可否調整電費,則容易受制於政治壓力,增加投資風險。





Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong

Dear Sir.

Stage II Consultation on the Future Development of the Electricity Market in Hong Kong

As a shareholder of the Hongkong Electric Holdings Ltd., I would like to express my views on the following 5 key proposals outlined in the Consultation Paper.

1. The Regulatory Period Should Remain 15 Years

The proposed 10+5 year regulatory period is actually for 10 years. It is too short for huge and lumpy investments in 30-35 year service life assets to recover costs and to earn reasonable return.

2. The Permitted Rate of Return (ROR) Should be Sufficient to Incentivize Investment

The proposed 7-11% ROR is far too low and not commensurate with risks of the power industry. It cannot attract huge and long-term investments required.

3. The Proposed Asset Classification Should be Discarded

The proposed 4-tiered ROR arrangement for different asset classes is counter-productive in solving the air quality problem. Besides, it unnecessarily complicates the return issue, and increases bureaucracy and administration costs.

4. Emission Penalty Should be Fair and Reasonable

The proposed emission penalty mechanism which links return with emission target is a double penalty. It is unfair and unreasonable.

5. The Existing Tariff Adjustment Mechanism Should be Maintained

The proposed requirement of Government approval for annual tariff reviews will subject our legitimate return under the agreement to undue political pressure.

As an investor of the Hong Kong's power industry, I am proud to have helped deliver safe and reliable electricity supply, together with exemplary environmental performance, at reasonable price in the past decades under the Scheme of Control Agreement. I trust that you will give due recognition to the proven effectiveness of the Agreement when mapping out the way forward for the electricity market. I also hope that my views will be considered and reflected in the ongoing consultation exercise.

Yours faithfully

TSANG SHING FAT 22/3/06

"Tsang Siu Lun"

To: electricitycommentstage2@edlb.gov.hk

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

31/03/2006 15:51

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排 放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的回報率應與其他投資看齊;消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、
- 環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂 立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tsang Siu Lun

Tsang Tak Yan 29/03/2006 18:47

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Tsang Tak Yan

"Tsang Tsing" 28/03/2006 09:37

To:	<pre><electricitycommentstage2@edlb.gov.hk< pre=""></electricitycommentstage2@edlb.gov.hk<></pre>

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

愁萌行區以析能為省港市米一万監大,給巾氏一口消新至氣。	
(署名) 啟	



"Tess Tsang"

31/03/2006 21:54

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: My comments on Electricity Market Development

☐ Urgent ☐ Return Receipt

Dear Sir.

I am a HK resident and mother of 2 kids. I am very concern about the air quality and electricity supply in HK. They are essential to our quality of life. Regarding the Consultation on the Electricity Market Development in HK, I would like to provide my comment as follows:

- 1. We are currently enjoying a highly stable supply of electricity at a reasonable price. My home experienced no supply interruption in recent years. The electricity bill is lower than other household expenses like transport and town gas. As a utility company, the power company is doing a very good job. I doubt why it is necessary to change the current regulatory arrangement with the power companies. People are investing in the power companies because of their stable share prices and good dividends. Forcing a lower return rate for them will likely lead to lesser investing and thus deterioration in their services. I surely don't want to see blackout some days later. On the other hand, deregulating the electricity market will more likely benefit the large customers who have bigger bargaining power. At the end of the day, the small customers will suffer. So I support to maintain the current Scheme of Control regulation arrangement.
- 2. It is clear that the air quality in Hong Kong has worsen a lot in recently. It is unfair to hold the power companies totally liable for the markedly increased air pollution. I have not heard of any additon of new electricity generators fueling on coal or oil in Hong Kong in recent years. The local growth in electricity demand is also low. So it doesn't seem reasonable that the significant rise in air pollution level is attributed to the local electricity generation. We all know that the economy in Mainland China has been growing rapidly, especially Guangdong which is next to us. Their industrial development and electricity demand is also growing very fast. It is more likely that the source of the markedly increased air pollution come from the Mainland. To improve air quality, the Government should directly address the pollution problem orginates from the north, rather than diverting the attention towards the local power companies.
- 3. I am supportive of renewable energy. Whilst I am prepared to pay higher electricity charge for the renewable energy which I think is fair for the user to pay just as we are paying our sewage charges, I wonder where can the large wind turbine be built in a congested place like HK. It seems to me that it would be more effective to control pollution by conserving energy usage and effective building design.

Thankyou for your attention. Tsang Wai Yam

"Tsang Wai Yan"



28/03/2006 11:41

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tsang Wai Yan

"tsang wang fung" 18/03/2006 01:03

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tsang wang fung

"Tsang Yu Chor" 15/03/2006 22:06

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

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- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛鉤,未能達標須扣 減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能 源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良 方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社 會、環境與區域發展各方面的計劃與配合;
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懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

__Tsang Yu Chor_ (署名) 啟

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong

Dear Sir.

Stage II Consultation on Future Development of the Electricity Market in Hong Kong

I understand the Government has launched the Stage II Consultation on the captioned subject. As a pensioner and shareholder of the Hongkong Electric Holdings Ltd. I depend on steady dividends for my living. I have the following views on the Consultation Paper.

Regulatory Arrangements

I cannot agree with the proposed shorter 10-year regulatory framework. Given the long-term investment cycle of electricity infrastructure and contractual commitments (e.g. the liquefied natural gas take-or-pay contracts), investors of the power companies must be provided with a sufficiently long regulatory period so that they are willing to continue to invest.

In order to attract new capital, I strongly urge that the regulatory period be maintained at the current 15 years, in the absence of which a higher return rate should be provided to compensate the power companies for the increased risks associated with a shortened period.

Permitted Rate of Return (ROR)

The Consultation Paper proposes, without given any justifications, a 4-tiered ROR in the range of 7%-11% for different asset types. My view is that the proposed ROR is too low to attract the huge and long-term investment required by the power industry. Given the industry-specific risks faced by the power companies, a higher ROR is required to cover the challenges and non-diversifiable risks in the electricity market.

In addition, I do not see any logic in the proposed 4-tiered ROR arrangement which I believe should not be adopted. Instead, the existing arrangement of a single ROR for all asset types should be maintained as it is straightforward and simple. If the cost of raising capital for an asset is the same, be it for electricity generation from renewable or non-renewable sources, electricity delivery or emission reduction, the ROR should be the same.

Emission Reduction

These issues apart. I also find the proposed emission penalty mechanism, which links ROR with emission reduction performance, totally unacceptable. Given the long planning horizon required for electricity supply infrastructure and the absence of a clearly and fairly defined post-2008 regulatory framework, it will be very difficult, if not impossible, for the power companies to meet the emission caps.

In fact, the proposal will subject power companies to a "double penalty" as there are already provisions under the Air Pollution Control Ordinance penalizing them for failing to meet emission caps imposed by the Government.

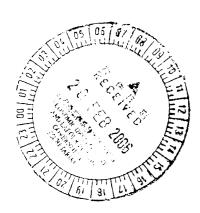
China Hong Kong Power

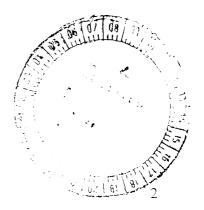
I fully share the Government's view that the future development of our electricity market should not be predicated on supply from the Mainland. As CLP is still supplying huge amount of electricity to Guangdong, I wonder how the latter can export power to Hong Kong in the next few years, not to mention the reliability of such export. In fact, given the vital importance of an adequate and reliable supply of electricity to Hong Kong, I have grave concerns about China Hong Kong's new supply, which may not bring in benefits to electricity users.

Please do not change the good system that Hong Kong has for many years.

Yours faithfully,

Tsang Yuk Ching





TSANG Zee Ho Paul FCCA, CPA

31st March, 2006

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,

Future Development of the Electricity Market Development in Hong Kong Stage II Consultation

Your effort in preparing this consultation paper is very much appreciated. Electricity supply service in Hong Kong is good and I am very happy with the current level of electricity supply reliability.

I agree with the Government that reliability of electricity supply is very important and the focus of the future electricity market development should be on maintaining reliability.

In my previous experience, very often I have to visit our Data Centre in Guangzhou, China. Power supply in Guangzhou is very tight and rotating power interruptions are quite common there. Most established factories in Guangzhou equip with diesel generators inside factories to ensure that the production lines can continue operation during power interruptions. Relatively speaking, although electricity supply in Hong Kong is a little bit more expensive, its supply reliability is much better and one do not need to worry about the loss of electricity supply in Hong Kong. Based on my experience of power shortages in Guangzhou, I think Hong Kong should have sufficient generating capacity to meet its demand rather than relying on electricity imported from the Mainland.

The unpleasant power shortages experience in Guangzhou explains why I have concerns about some of the proposed changes in the consultation paper. I am afraid that the reduced financial incentive to the power companies and much tightened regulatory requirements might lead to insufficient investment in electricity infrastructure, and might affect supply reliability.

I suggest the Government to evaluate the proposals in the consultation paper with caution, so that Hong Kong will continue to have reliable electricity supply.

Yours faithfully,

TSANG Zee Ho Paul

"tsangshukyi"

 $To:\ electricity comment stage 2@edlb.gov.hk$

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

17/03/2006 17:17

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tsangshukyi

"Tse Chi Ming"



24/03/2006 10:23

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies??licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.
- 7. Tall buildings should not be allowed to build along sea side as it will block seawind to bring in fresh air.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	_瓔濆??	
DIGIT.	坟/只〔〔	

TSE CHI MING



31/03/2006 09:10

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

TSE CHI MING

27 March 2006

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong

Dear Sir,

Future Development of the Electricity Market in Hong Kong

After reading your Stage II Consultation paper, I would like to give my comments as follows:

I am afraid that the proposed rate of return 7% - 11% cannot give sufficient incentive to power companies to invest adequately in electricity infrastructure. This can lead to power shortage and degradation of supply reliability. Since the current electricity tariffs are very affordable, it may not be necessary to further lower the tariffs by reducing the rate at the expense of jeopardizing the supply reliability.

Knowing from news that the Mainland has a poor track record of supply reliability and adequacy. Therefore it would be dangerous for Hong Kong to rely on the Mainland for electricity supply in the future. If Hong Kong is to integrate into the same power pool of the Mainland, we will have power shortage whenever they have power shortage, and power interruption whenever they have power interruption. As a world financial centre Hong Kong cannot afford this.

I hope that after considering my view, the final regulatory framework will be able to provide a very stable and predictable environment for power companies to invest and maintain a world-class electricity infrastructure for Hong Kong. This, in return, will provide consumers with affordable and non-volatile tariffs at high reliability and good quality of services.

Yours faithfully,

Tse Chiu Yin

"Tse Hei Yee" 17/03/2006 22:43

To: electricitycommentstage2@edlb.gov.hk

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tse Hei Yee

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-	,
	4

Tse Kin Chan

28/03/2006 12:09

 $To:\ electricity comment stage 2@edlb.gov.hk$

Subject: Comments on Stage 2

Urgent Receipt

Thank you.

Albert Chan.doc

Suggestions concerning Hong Kong Electric's Management Plan Agreement

I, Albert Chan Tse Kin, have lived in Hong Kong for forty years. I witness Hong Kong's transformation from poverty to prosperity. To keep up with current standards, quality and stable electricity supply is needed. It is hard to imagine what Hong Kong will be if no electricity is supplied to hospitals, exchange squares and the MTR etc. The consequences may be disastrous. At present, electricity expenses are economical compared to town gas, management fee and transportation expenses etc. In addition, Hong Kong's economy is recovering. To maintain Hong Kong Electric's profit control standards until 2008 is a wise step. This is because Hong Kong will remain one of the best places for investment from international perspectives. Nowadays, in the electrical transmission and distribution facilities, the investment normally requires over billions of dollars. Such facilities have been applied in Hong Kong for more than three decades. Hong Kong Electric demonstrates full confidence in the government and her intention to serve local citizens. If the contract period is below 15 years, it will not be fair, contradicting with Hong Kong rules of investment.

In the asset classification, this is impractical. Say, environmental asset part which return is lower. While everybody is fulfilling environmental responsibilities, returns have been lowered. This is directly opposite to what has been expected. Unless the government encourages Hong Kong's electrical suppliers to increase investment on environmentally protective facilities, this situation cannot be improved.

It is self-deception if you believe you can protect the environment without raising electricity expenses.

Concerning approved returns, I puzzled how it falls between 7% to 11%. I suspect the government may be under the pressure of political parties. They always criticize about every move of the government and want to deduce the electricity prices. I sincerely hope that the government will emphasize on the stability of the society and not amending government policies for the sake of merely amending policies themselves. Local citizens will suffer in this way.

I conclude that 1) maintain 15 years contract period to power utility company; 2) increase asset investment return to encourage application of environmental electrical facilities; 3) permitted returns should not be lowered than 13.5%.

Thank you for your kind attention.



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: Fw: Comments on Stage II Consultation
Urgent Return Receipt

Please refer to attached file for my comments on the Stage II Consultation on Future Development of the Electricity Market in Hong Kong.

<< File: consultation paper.doc >>



consultation paper.doc

19th March 2006.

Economic Development and Labour Bureau, 2/F., Central Government Offices, Man & East Wing, Lower Albert Rd., Central, Hong Kong.

Dear Sir,

Future Development of Electricity Market in Hong Kong Stage II Consultation

I would like to express my opinions on the consultation paper as follows:

I totally agree with you that Hong Kong need reliable, safe and efficient electricity supply with minimum impact to environment at reasonable price. In order to achieve this target, heavy and long term investment is required to replace aging plant, to install equipment to remove polluting gases and particles, to get a better deal to purchase good quality coal and to build generating plant that burn natural gas as fuel. Renewable energy seems to be a solution to produce electricity with minimum impact to environment. However, renewable energy depends very much on the weather. Solar energy panels will not work at night or cloudy days and the wind turbines will not produce electricity if there is no wind. The initial cost is high to build solar energy panels and wind turbines and they occupy a large area of land which is scarce resource in Hong Kong. Furthermore, it takes years to design and build the solar panels and wind turbines.

In view of the above, I don't think that the proposed rate of return of 7%-11% plus ten-year regulatory period will give the electric companies enough incentive to invest their money to achieve the above goals. No doubt about it, the air quality of Hong Kong is getting worse. It is not fair to hold the electric companies totally responsible for this by linking the rate of return to emission cap target achievement. To my understanding, such clause has not been included in bus company license renewal by Transport Department. Factories in Mainland China, cars and buses are the

main contributors of air pollution in Hong Kong. After all, the emission by electric companies are much easily monitored and controlled. There are laws and regulations to control the air pollution by electric companies.

If we want cleaner air, all consumers should pay. We should retain the current 13.5% rate of return and 15 years regulatory period because they have been working well so far. I must say that I enjoy reliable electricity supply at the price that is affordable to me.

Yours faithfully,

Tse King Kui

香港中環下亞厘畢道 中區政府合署中及東座二樓 經濟發展及勞工局

葉澍堃局長:

第二階段諮詢香港電力市場未來的發展

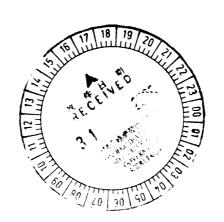
我贊成政府的政策目標:要確保公眾能夠以合理的價格,享用可靠、安全及有 效率的能源供應,並致力將能源生產和使用對環境所造成的影響減至最低。

在諮詢文件中,政府在考慮二零零八年後會從內地輸入電力,我則不太認同香港應該這樣做,原因如下:(一)內地發電廠所排放的污染物比香港的多,若香港部分的電力需求由內地承擔,則間接令珠江三角洲的污染問題變得更嚴重;和(二)內地供電情況緊張,若要內地輸電來港,恐怕會令香港的供電可靠性降低。這兩因素都有違政府以上的政策目標。

此外,從內地輸入電力會令維持足夠及可靠的供電責任變得模糊不清,也令本地就業職位減少,對香港並無好處。

政府在制訂香港未來的電力市場時,也應考慮以上因素。

Tse Kwan Ting 二零零六年三月二十七日



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		22nd February	2.006
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P. 1

	22nd February 2006
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	P. 2

The Executive
Economy Dept,
The Government of the Hong Kong SAR
Government Offices Building of the Central District,
Jee House Street, Hong Kong.

Sir,

In response to the Government's invitation to the public for their discussion as regards the supply of electricity of ter 2008. I take the liberty of submitting my opinion for your consideration.

I must be honest. I do not have to conceal the fact that I can shareholders of the two listed companies providing Hong Kong with electricity. I also bear in mind the principle of fairness, reason and rationality.

In the rourse of my family's residence here since 1964, we have been enjoying, more and more, the use of electricity in a convenient way. No matter what electrical appliances are in use, we find that they never fail us because of the failure of electric current.

This is owing to, no doubt, a sufficient, stable and constant current from the electricity generation station through a huge and complex system of transformery, distributors, cables and wires etc. upto our house and flat.

Just like Adam and Eve living in Eden led their happy life in well-being unconsciously, the inhabitants of Hong Kong selden perceive the convenience and comfort provided by the existing electricity system although they might learn from TV, newspapers and magazines, etc. the blackouts in New Zealand in Feb. 1998, Taiwan in June. 1999, California in 2000 and 2001, North America, Canada and England in Aug. 2003, Sweden, Normark and Italy in Sept. 2003 and the serious shortage and blackouts

lingering in thinese mainland like nightmare for so many years.

One might however, recall the electricity interruption for about four hours and a half in 1984 and other local trivial ones by accident. But all these were just trifles compared with those of other places. Apart from our residences, Hong Kongs business, trade, industries, radioes, educational institutions, public utilities and governments offices, etc. cannot go without electricity, as heedless to say.

It is by no means an exaggiration to affirm that the quality and quantity of the electricity supply have been satisfactory to ethnost everyone using it.

I can still remember that when I was a child living in Macao with my family before 1956 there were blackouts and interruptions of electricity supply time and again on account of insufficient current from the generation station or the damages of the cables, wires, poles, transformers, distributors, here and there, especifly after storms and typhoons. And it would take them several days to remedy them.

But Hong Kong people have never been disappointed like that.

Of late years, Macao has benefitted from the supply of electricity from a Hong Kong electricity company and the situation was improved, subsequent to a caple built between New territories to Macao via thu-hai county and another one between hantas and Macao, they say.

So one can see that since the establishment of electricity system in 19th century, Hong Kong has never been handicapped by tack or shortage of this daily necessaries. Instead as Hong Kong progressed and progressed the supply of electricity has been keeping pace with it.

Is it Hong Kongo spirit? Is it Hong Kongo tradition? Is it Hong Kongo success?

One can say that some countries / regions could, with Godó blessing, enjoy their own hydraulics electricity which is almost the cheapest and most efficient method of mass electricity generation.

In case of Hong Kong, it must not be forgotten that because of ito geographical conditions, Hong Kong cannot enjoy the facilities of hydraulic-generating plant which could have rendered comparatively cheap electricity.

But for all such handicaps its two electricity companies never bow to them. They appeal to modern science and technology. They brought the most up-to-date electricity generators, transformers, destributors and so on to Hong Kong so as to let the consumers enjoy the electricity of the best quality as they need it,

a God-send. It calls for feel, like coal, light natural gas, oil, nuclear, various machinery, labour, capital and investment as well as entrepreneurs control and management. All these must be settled by money. So some amont of money must be paid, too, in the form of electricity charges by consumers.

It should not be peglected that the business, capital expenditure, production, finance and other significant activities of the two electricity companies are supervised and looked into by the government of HKSAR on the basis of "Schemes of control" entered into by the Government on one side and those two companies respectively on the other side. Upon this basis the Government can balance the interests of all concerned: the consumers, the society, the two electricity companies, their employees, their shareholders and the Government itself.

Some critics may ruise questions. Some of them say that the two companies carry on business at profits, and the profits are too large; as a result consumers have to pay high electricity fee. But, in fact, such is not the case. Hong Kong's electricity tariff can compare favourably

P. 3

with those of many other (if not all) famous cities like hondon.
Pavis, New York, Tokyo, etc. A few overseas countries (regions may charge lower tariffs than those of Hong Kong.

But as already indicated above, some countries / regions have hydrautic, wind and for solar electricity plant, as they are blessed by God with something or the other of the natural and geographical superiority whilst Hong Kong can only resort to fuel for the most part, and fuel demands money.

Another point may be mentioned to that on account of their economical, financial and social policies, some overseas governments
directly or indirectly own and/or administer, control and manage the
operation and business of their electricity organizations/undertakings.
What with red-tape and what with other reasons, such organizations/
undertakings result in loss and loss; and the governments have to
subsidizes them out of their financial resources for the purposes of low
tariffs which pleases the volers in the first instance. Nevertheless,
the consumers would tome to understand that such subsidies have to be
lovered, in the long run, by taxes imposed upon them.

Such were the performance, practice and situation of many overseas countries regions in the past. Now their governments understand that in order to get vid of the inefficacy and expensiveness of the existing system it will be a good idea to allow the private organizations I undertakings to run the business on agreed conditions and terms so as to offer their best.

Whether or not their altempts hit the point are still to be proven in future. But the benefits, characteristics, virtues etc. of the private owned electricity business / understakings of Hong Kong like simplicity, practicality, low tariffs, high efficiency, being open to discussion and criticism, willingness, and capacity to remedy any defects have already been noted and praised by various sectory for more than one hundred years.

The so-called "Too large profits" was, as a matter of fact, owing to the durability, efficiency of the modern generatory, tran-sformers, distributors etc. as well and the proper control and

management and skill and experience of their executives and staff etc. The amount of money from the reduction of cost and the improvement of productivity all goes to consumers instead of shareholders.

It is ridiculous to say that the electricity companies blindly chase and von for profits. Since 1998 the electricity company serving Kowloon and New Territories has frozen its tariffs. In 1999 and the period from 2001 to 2004, three billion Hongkong Dollars were rebated to the consumers. Taking into account the factory and effect of inflation, one will see that the tariffs of 2003 was substantially lower than that of 1983 by 37%.

As Hong Kongo economy, commerce, industry, banking and services develop year in and year out, the problem of environmental pollution gradually draw the attention of the public. These two electricity companies initially take sleps to prevent and dimish the emission of all the substances giving rise to pullution. They also alternatively use other kinds of fuel which cause less pollution. All these measures were already taken long ago by reference to their experience and the world's scientific study and discovery. As time goes by their knowledge hoards up. In order to relieve the public of their concern, a book titled Environmental Manifests was published, displaying their experience, performance, thinking, their uchievement of fight the pollution and future plan.

They have been doing what they have said.

With all the achievements in the past, are they self-salisfied? It seems not so. They go furthermore. So a LLP Rearch Institute was founded and funded and chaired by its chairman in 2004, studying the technology trends and influences etc. relevant to the electricity industry. It may be expected that its achievement and success will do all concerned good.

But recently some voices have been heard, advocating that the two electricity companies, having been in operation and service since 19th century, might as well step down after 2008 and let others play the role.

P. 5

For what reasons ?

God Knows.

As already acknowledged by almost every side, they have done good jobs, why should they be deprived of the honour, the right and the opportunity to service Hong Kong in future? It must not be overlooked that their experience and capacity in servicing Hong Kong have been heaped up not by decades, but by centuries, Any strangers with inferior technology, engineering installation, equipment and devoid of adequate knowledge and experience might spoil the soup easily. Any diversion from the proper way could and might bring Hong Kong losses, irritation and confusion. Any impetus blindly running after changes, spectacular phenomenon is not only ignorant and childish but also risky and contemtous of the public interest.

The spirit, principle and significance of the "Basic haws" are to preserve the existing system for fifty years and over.

In the light of the recent development, success and accomplishment in science, technology and engineering, they have planned to set up generating plants, set off by wind power so that the generating capacity from them may come to 5% of the total generating capacity by 2010 irrespective of the limitation on the area of land and other unfavourable factors. It is a good attempt and may introduce and usher this that renewable energies into Hong Kong.

Looking at the fotore, some observers estimate that the population of Hong Kong may come to the number of eight million in 2024. The accompanying economy growth vate would be 2% to 3% annually in the coming ten years. Electricity supply will be, among other things, essential to economical and social progress, just as it was so in the past. Therefore, faithful and competent partners in this regard must be carefully and wisely appointed. And the two electricity companies of the existing system, with their excellent records since 19th

P. 6

22nd December 2005

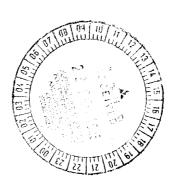
century, are surely and certainly the best and fittest choice.

Trusting that this letter will receive your kind attention, I am, Sir,

Yours very truly,

Use Kwok Wai

TSE KWOK WAI (Mr.)



"Tse lok yan" 16/03/2006 21:11

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來 電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承 擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛鉤,未能達標須扣 減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能 源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良 方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社 會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

Tse lok yan(署名) 啟

"Tse Pui CHi"



28/03/2006 18:39

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

breath	of	clean	air.	
Sign: _			_	

Economic Development and Labour Bureau, 2/F., Central Government Offices, Main & East Wings, Lower Albert Road, Central, Hong Kong.

Dear Sir,

Consultation on the Future Electricity Market

In response to your consultation paper on the future electricity market in Hong Kong, please find my views as follows:

The current regulatory framework for the electricity market has been proven to be effective in the past many years. The power companies have provided a safe and reliable electricity supply to people living in Hong Kong. In fact, the service we are enjoying today is one of the best in the world. It is anticipated that the high level of electricity supply service will be continue after 2008.

There are two proposals made by the government which would increase the investment risks of the power companies. The two proposals are (i) reduce the power companies' rate of return and (ii) shorten the regulatory period for the agreements signed with the power companies. As the investment risks of the power companies would increase enormously, the power companies may reduce their investments in the future. This in turn will decrease the reliability of power supply in Hong Kong and should not be adopted.

Regards,

્રા(રૂ / ૭6 Tse Pui Kei

"tse siu kwong" 22/03/2006 20:33

 $To:\ electric ity comment stage 2@edlb.gov.hk$

cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tse siu kwong

TSE SO LING 31/03/2006 00:20

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong

Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

TSE SO LING

"Tse Ting Ting" 24/03/2006 20:40

To:	<electricitycommentstage2@edlb.gov.hk></electricitycommentstage2@edlb.gov.hk>
00.	

Subject:網上行動回應《香港電力市場未來的發展》
Urgent Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

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- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

怒請符區以附能為省港市來一片監大,給中氏一口有新空氣。	
(署名) 啟	



To: elec	ctricitycon	mmentstage2@edlb.gov.hk
cc:		
Subject: Stag in F	•	sultation - Future Development of the Electricity Market
		☐ Return Receipt

In view of the Stage 2 Consultation Paper of -§Future Development of the Electricity Market in HK--, I have the following comment:

I do agree and support with the policy objective to have a reliable and safe electricity supply. Therefore, I don--t think the new supply sources from the Mainland can provide service with reliability up to 99.99%. Moreover, the environmental and emission standard in the Mainland is not as high as HK, untreated exhaust gas emitted from low efficiency power plant will further deteriorate the air quality over Pearl River Delta.

I disagree the interconnection with Guangdong. The electricity supply and transmission in the Mainland is so unstable that a sudden voltage drop will cause system surge across over the network.

I also disagree the opening of electricity market. The lesson of USA California black-out incident and the failure of power market should be learnt.

I also disagree the regulatory period to be shortened to 10 years. As the electricity supply industry is capital intensive requiring long lead time for planning and long pay-back period, in order to attract more investors, the duration of agreement should be maintained at 15 years. For the same reason, the permitted return rate should be maintained unchanged.

Tse W.C.



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tse Wing-man

"Tse Yan Choi" 27/03/2006 12:49

To: <electricitycommentstage2@edlb.gov.hk>

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
- 2. The investment in renewable energy (RE) should earn a higher level of permitted rate of return;
- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tse Yan Choi

"Tseng Hing Tin"

27/03/2006 14:32

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Dreath	OL	Clean	air.					
Sign: _			_					



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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- 3. 可再生能源的投資可享有較高的准許回報率;
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- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tsoi Ka Yiu

"tsoi wan yin"

To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

22/03/2006 01:12

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

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懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

tsoi wan yin

Tsui Chen Yee E 30/03/2006 13:27

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Tsui Chen Yee E

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Mr. Secretary,

Opinions on Electricity Market Future Development - Stage II Consultation

With the launching of the Government's Stage II Consultation, I wish to express my opinions on some of the Government's proposals in the Stage II Consultation Paper.

A shorter 10-year regulatory period has been proposed by the Government. Electricity infrastructure has long life and is capital intensive. With the proposed shorter 10-year regulatory period, the power companies will only have 10 years of certainty to earn a return. There will be increased investment risk for the power companies. In my view, the present regulatory period of 15 years as adopted in the Scheme of Control Agreements must be maintained after the post-2008 period.

Government must be very cautious with their proposal to lower the rate of return to 7-11%. No justifications have been provided in the consultation paper as to how the rates of return are derived. With the large decrease in investment incentives, it would be difficult to attract the huge and long-term investment for building electricity infrastructure. To lower rate of return may lead to insufficient investment and it will also lead to deteriorated supply reliability.

I request the Government to assess the proposals more carefully in the Stage II Consultation Paper and the Government will consider my views.

Yours sincerely,

Tsui Ching Sang

09 March 2006

EDLB

2/F., Central Government Offices.

Main & East Wings,

Lower Albert Road, Central.

Attention: Secretary for Economic Development & Labour

Tsui Tsui Man

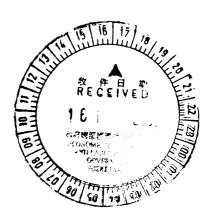
Dear Mr. Secretary,

Stage 2 Consultation on Future Development of Electricity Market

I have the impression that the proposals contained in the Stage 2 Consultation Paper have not been well received by the two power companies. If we are to ensure if the future market will work, why don't we make as little necessary changes as possible? The government should focus on the most important issue - permitted rate of return, but leaves some other less important issues alone. For example, given that the rate will be lower, I don't quite see why the Government has to ask for a shorter 10 year period. A longer regulatory framework can definitely offer more stability to not only the people in HK but also the power companies.

Yours faithfully,

Tsui Chung Man



Consultation for Electricity Market - Stage II.

Dear Sir,

The pollowing are my opinions:

- O The government shall have a clear tnessy Policy.
- (2) The government shall have a clear plan on how to transition to an open market in onder to reduce the risk of discroler in the market.
- 3) It is inpractical to reduce the duration of regime, since the sousset lines one in the order of 30 year or above
- De l'été don't agree to lower the neturn to between 7% to 11/6, since this will be inadequate incentires to encourage appropriate investment.



TSUI HOK KNAN.

- Track

3 - March - 2006.

"Tsui Kai Ho" 28/03/2006 16:52

To:	$<\!electric ity comment stage 2@edlb.$	gov.hk
-----	-----------------------------------------	--------

CC:

Subject: 網上行動回應《香港電力市場未來的發展》

☐ Urgent ☐ Return Receipt

致經濟發展及勞工局,

身為香港的一份子,我非常關注發電廠對空氣與環境所造成的污染。我強烈要求未來電力市場的監管機制,加強管制發電過程帶來的各種污染,不要成為電力企業逃避承擔社會與環境責任的幌子。我要求:

- 1. 電力公司的准許回報率須與其牌照中所定下的排放總量上限掛?,未能達標須扣減其准許回報率;
- 2. 可再生能源的投資可享有較高的准許回報率;
- 3. 我們支持發展可再生能源,但反對把焚化爐 -- 會產生溫室氣體 視作可再生能源;
- 4. 節約能源是最直接、最根本的方法,是一道可以有效避免浪費和減少污染的良方,政府必須訂定整體而清晰的節能目標;
- 5. 積極研究設立能源管理局,製訂整全的能源政策,並統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粤港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口清新空氣。

心明行些以们的勿自他市人	万盖人, 淌巾以	ᆸᄸᆐᆂᅑᇮ
(署名) 啟		

Economic Development & Labour Bureau 2/F., Central Government Offices
Main & East Wings, Lower Albert Road, Central Hong Kong

Dear Mr. Ip,

Comments on Electricity Market Stage II Consultation

I appreciate your effort in preparation of Stage I and Stage II Consultation Paper on electricity market after 2008.

I fully agree with the policy objectives set in the consultation paper. However, I cannot agree some of the proposals in the consultation paper. My concerns about those proposals are as follows:

Shorter agreement period

I worry that the shorter the agreement period, the less confidence power companies have in investing in electricity infrastructure, which will ultimately lead to impact on supply reliability. Looking at the fact that the current supply is highly reliable, it seems to me that the current agreement period is appropriate.

Lowest return rate for emissions reduction facilities

I have serious concern that power companies will be discouraged by the lowest return and not to invest in emissions reduction facilities. If we do not have emissions facilities in time, Hong Kong's air quality will be getting worse and worse.

I would like to request the bureau to carefully handle the above issues such that we will have highly reliable electricity and greener air to breath.

Yours sincerely,

Tsui Kit Ha

Tsui Kit Ho

Tsui Miu Ling

30/03/2006 18:22

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for ${\tt Hong}$ Kong.

Tsui Miu Ling



"WMMR"

26/03/2006 10:57

To: <electricitycommentstage2@edlb.gov.hk>

cc: "Ir WM Mak (IMS)"

Subject: Comments on Stage II Consultation

Urgent Return Receipt

Dear Sir,

Most of the proposals in the Stage II Consultation are constructive, especially on the policy objectives and institutional setup. These would give least interruption to the existing system that has been used well for Hong Kong electricity market for so many years. The existing system ensures high reliability of supply and reasonable tariffs. However, the following issues should be considered more carefully:

New Supply Sources from the Mainland

Mainland has its own problems on electricity generation and transmission. Their track record in supply reliability and power rationing are not as good as the Hong Kong system.

Use of RE

RE is good but its extensive use is not so easy. The investment cost for RE generating equipment is higher; hence higher tariffs is the consequence. RE generation relies on natural energy, i.e. sunlight, wind, seawave etc. However, what would happen if natural energy temporarily goes down to insufficient level for generating electricity. Under such condition the standby non-RE generating machines are to be run to maintain electricity supply to consumers. This means than spare non-RE units are still required as back-up generating plant. Therefore, the cost impact on tariffs due to extensive use of RE is unavoidable.

Long-term problems due to insufficient incentive to Power Company

Insufficient incentive would lead to depression in investment. This hurts the power market as well as the total society. The advertisement in TV after the SARS, i.e. sequential impacts from buying a "Po Lo Bau", explains this well. Shortage of supply and reduction in supply reliability can happen without detailed explanation. Mainland is an example. Other electricity markets around the world wherever without good incentive for investment would suffer from these issues in turn. With reference to what had happened in the past few years, the historical sequence might have started. This would have unbelievable impacts on Hong Kong as a world financial centre especially a city greatly rely on this.

Tsui Po Chun

Economic Development and Labour Bureau 2/F., Central Government Offices, Main & East Wings Lower Albert Road, Central Hong Kong

Dear Sir,

Future Development of the Electricity Market Development in Hong Kong Stage II Consultation

As an electricity consumer, I wish to express my views on some of the Government's proposals in the Stage II Consultation Paper.

With the present electricity regime, Hong Kong has a world-class electricity system. Its supply reliability is very high and services to consumers are good. I never have to worry about severe loss of electricity supply in Hong Kong. Therefore, I agree with the Government that reliability of electricity supply is of paramount importance and I support Government's policy objective to ensure that the public can continue to enjoy reliable electricity supply after 2008.

I notice that Government has proposed to lower the rates of return to a range 7-11% and to shorten the regulatory period to 10 years. I am afraid that reduced financial incentives and much-tightened regulatory requirements might lead to inadequate investment in electricity infrastructure and might thus affect the supply reliability.

If the existing rate of return of 13.5% and regulatory period of 15 years are well established and successful, we should maintain them after 2008. Therefore, I request the Government to evaluate these proposals more carefully, and to make sure that Hong Kong will continue to have an adequate and reliable electricity supply.

Yours faithfully,

Tsui Siu Kwan

Tsui Wing Yin

29/03/2006 19:58

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Tsui Wing Yin

Tsui Wing Yin

29/03/2006 19:57

To: electricitycommentstage2@edlb.gov.hk

CC:

Subject: Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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Tsui Wing Yin



To: e	electricitycommentstage2@edlb.gov.hk
CC:	
	2nd Stage Consultation on Electricity Marke
	Urgent Return Receipt

Sir,

I am a student of the HK Polytechnic University studying an M.Sc. course on Environmental Management. I would like to express my views on electricity market.

- 1. Electricity is essential for the economy and social stability of HK. Hence, we must attract investors to maintain their existing good services.
- 2. Using energy of any kind will certainly create environmental problem. This is also true for regenerative power. We must consider the system from manufacturing to decommissioning. The only way to reduce pollution is to encourage use less energy.
- 3. Government can impose energy tax to discourage people from using more electricity. The money collected can be used to subsidize the power companies to invest more on equipment that make less pollution.
- 4. A period of 10 years is too short for investor to invest in huge infrastructures. The Scheme of Control should be extended to a duration of 20 years.
- 5. Opening the HK electricity market will lead to more pollution in China. The pollution in China will affect HK. If we don't want it we should not pass it to our motherland.
- 6. In order to motivate the investors to invest more on reducing pollution, the Government should not reduce the profit ceiling. Keeping it at 15% is reasonable.

Tsui Yick Chiu

Tsz Ho Au Yeing
05/03/2006 21:57

To:	electricitycor	mmentstage2@edlb.gov.hk
CC:		
Subject:		
•	☐ Urgent	Return Receipt



2006年3月6日 香港中環 中區政府合署中及東座二樓 經濟發展及勞工局

葉局長:

第二階段諮 -未來電力市場發展

本人覺得足夠而可靠的電力供應已成為港人的基本需要。雖然沒有人會不歡迎電費下調,但若靠削減兩電准許回報率而令電費下降,又是否能解決所有供電風險同時回應市民訴求呢?就未來的電力市場發展來說,我覺得政府應該把目光放遠,著眼長期的供電穩定性而非給予市民短期的小恩小惠!

"tang wing sheung"



27/03/2006 12:35

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

- 1. The permitted rate of return of power companies should be linked with the total emission caps set under the power companies' licences. Those cannot achieve the caps should have the rate of return reduced;
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- 3. We support RE, but not incineration which generates green house gas;
- 4. Energy saving is fundamental in reducing pollution, as it saves money and conserves our resources. We demand the SAR government to set up a concrete and clear energy saving target;
- 5. Energy Administration should be established to coordinate the planning of electricity market in terms of economic, social, environmental and regional development;
- 6. The cooperation in RE development between Guangdong and Hong Kong should be speeded up, including the regional blueprint of wind energy development.

I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign:	TT	



To:	electricityco	mmentstage2@edlb.gov.hk
CC:		
Subject	: Electricity M	arket
-	☐ Urgent	Return Receipt

Dear Sir;

I would like to express my view on the stage 2 consultation: -

- 1. I don't agree to open the electricity market for the time being. The government should take more time to study and review before make the decision. It is particularly important as the mainland market is not mature. I agree with Chief of ELDB Mr. Ip said the government need at least 10 years to study. Rush decision may affect Hong Kong future development.
- 2. As investor of Hong Kong Stock market, I tend to agree 10% to the power company is reasonable. Bear in mind that stably electricity is necessary for our economic growth. 10% return in compare with other blue chip company is not high. The existing SoC is effective to regulate the power company and should be continued.
- 3. Environmental protection is ! important but most of air pollution in Hong Kong is caused by mainland emmission. Further reduce the emission from Power companies alone may not be helpful to improve Hong Kong air quality. We should strike the balance between environmental and cost of electricity price. I don't agree we pay too much for the environmental control at power companies but ultimately Hong Kong air quality cannot be improved due to mainland emission but not power company. Moreover, we should take specific hong kong situation in deciding the renewable energy policy. it would be disaster if the power company build a wind frame at Sai Kung or elasewhere due to the renewable energy policy as it would sacrify our beauty scene and precious land resource and ecology.
- 4. I am satisfy the existing service provided by CLP (I live in N.T.) and the price is reasonable particularly compare to transport cost and town gas price. SoC is effective to! regulate the power company performance and reasonable return. The government should pay more attention to consider how to reduce the transportation cost instead.

Regards
Tuen Mun Resident - PC

"tuija dumon"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

25/03/2006 14:41

To Economic Development and Labour Bureau,

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Sian.	tuija	dumon
Sign.	tui ia	aumon

"Marianne Tulleners"



27/03/2006 09:34

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

Sign: Tulleners Family (6 members, including 4 year old grandchild!!)_



To: electricitycommentstage2@edlb.gov.hk cc:

Subject: 我要清新空氣

☐ Urgent ☐ Return Receipt

致經濟發展與勞工局:

身為香港的一份子,我非常關注發電廠對空氣與環境 所造成的污染。我強烈要求未來的電力市場,能夠加 強管制發電過程帶來的各種污染,不要成為電力企業 逃避承擔社會與環境責任的幌子。我建議:

- 1. 電力公司的准許回報率需與其牌照中所定下的排放總量上限掛鉤,未能達標須扣減其准許回報率;
- 2. 各項減排設施(如二氧化硫脫除裝置)的開支與成本不能轉嫁給消費者;
- 3. 可再生能源的投資可享有較高的准許回報率;
- 4. 制訂減少燒煤的目標和時間表;
- 5. 設立能源管理局,統籌電力市場在經濟、社會、環境與區域發展各方面的計劃與配合;
- 6. 加快粵港兩地發展可再生能源的合作,包括訂立區域的風能發展藍圖。

懇請特區政府能為香港帶來一片藍天,給市民一口 清新空氣。

祝好

Tung Chen Hwa



To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Electricity Comments on stage II Consultation
Urgent Return Receipt

Electricity Comments on stage II Consultation

Mr. IP

I think you should be more careful with the following items.

1) New supply sources from the mainland

The mainland cannot be relied on given its poor record in supply reliability and power rationing. Hongkong citizen would more concern the supply reliability than the price. Can you make sure the price will be lower after supply from the mainland?

2) <u>Inadequate incentive to utilities loading to power shortage</u>

The 10 year regulatory period and the 7-11 % rates of return may discourage utilities to invest. We would then suffer from power shortage like the mainland is suffering now. This would have large impact on economic development of Hong Kong.

3) Extensive use of renewable energy

It would be very expensive and land limitation to extensive use of the renewable energy.

Your sincerely

Tung Fai Tong

"Tung Guang Hwa"



23/03/2006 16:22

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

To Economic Development and Labour Bureau,

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Ι	cordially	${\tt demand}$	the	SAR	government	to	bring	us	back	the	blue	sky	and	а
hт	reath of cl	lean air	<u></u>											

Sign:	

"TUNIK"



27/03/2006 16:53

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

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I cordially demand the SAR government to bring us back the blue sky and a breath of clean air.

DICACI	· OI	CICAII	all.				
Sign:			-				

To: edb@edlb.gov.hk

cc:

12/03/2006 Subject: Web Enquiry 22:10

realname: TW

subject: We Need Reliable Power Supply

Enquiry: After opening the electricity market a frequent power outage would be anticipated as no investors like to invest machines for emergency use condition. Secondly, they are interested to maximize their profit by running their machines 24-hour a day regardless of the machines reliability. Duplicate investment such as for independent-self-start prime mover for blackout situation causes no tariff reduction benefit resulting from de-regulation. I prefer to have a reliable power supply and a reasonable return rate for the investor at 12% and the 15 year agreement term.

"TW"

To: <electricitycommentstage2@edlb.gov.hk>

cc:

Subject: 諮詢文件回應

☐ Urgent ☐ Return Receipt

15/03/2006 13:06

經濟發展及勞工局局長,

欣賞政府為市民的生活、環境和經濟謀求良好發展,並樂於聽於社會多方意見。現在 就第二期電力市場發展諮詢文件,有以下意見,請政府考慮:

1. 規管年期應延長

因為發電設備(包括減排裝置)投資龐大,回報年期長。在購買燃料上,較長的合約年期亦有助穩定價格及獲取低廉成本,至終有利於消費者。

2. 資產分類、投資回報率應一致 減排裝置成本高,若要達到環保電力,為何投資回報率偏低?

多謝聽取意見!

T.W.Wan

Twiggy Fan 29/03/2006 20:27

To: electricitycommentstage2@edlb.gov.hk
cc:
Subject: Consultation Paper on Future Development of the Electricity
Market in Hong Kong
Urgent Return Receipt

Hong Kong needs an integrated energy policy that comprehensively addresses energy supply and usage. Electricity generation has produced significant air pollution and contributes significant amount of greenhouse gas emission, causing global warming and resulted in climate change, the single biggest threat to our planet.

The Government's current proposals are outdated and could do far more to address these issues. I demand a future electricity market in Hong Kong that facilitates clean energy, and encourages energy conservation and efficiency, so that I am provided with electricity at minimal impact to my health, society and the environment.

I strongly recommend the Government to:

- 1. Set up a comprehensive and integrated energy policy for Hong Kong that properly addresses energy security, energy efficiency, protection of the environment and public health. The environmental costs of air pollution should be incorporated into policy making and the threat of climate change should be reflected into our electricity market.
- 2. Set up a regulatory mechanism to electricity companies to offer energy efficiency services so that I can improve the efficiency of my electricity usage. The government's current proposal is fundamentally flawed as the utilities continue to make the majority of their profits from selling as much electricity as possible, providing a major disincentive for them to seriously promote energy efficiency. The government must seriously examine the economic models that can overcome this barrier, rather than making small changes to the currently flawed system.
- 3. Ensure fair access to the power grid to promote for the energy supply by small energy producers, including renewable energy and other clean energy suppliers.

I urge the Government to take a far more active role in devising an integrated energy policy for Hong Kong.

Twiggy Fan

campo ben

 $To:\ electricity comment stage 2@edlb.gov.hk$

CC:

Subject: View on future development of electricity market in HKSAR

Urgent Receipt

22/03/2006 10:20

It is too short if the period of regime is less than 20 years. Power industry is a long term investment. Short regime i.e.10 years may fluctuate the market indeed. The shorter the regime, the higher the risk will be.

The Government should map out a clear plan for further discussion.

Tycon

"Тую

"Tyler E. Goodwin"

To: <electricitycommentstage2@edlb.gov.hk>

CC:

Subject: Response to Consultation Paper on Future Development of the Electricity Market in Hong Kong

☐ Urgent ☐ Return Receipt

28/03/2006 10:16

To Economic Development and Labour Bureau,

Both of my children have developed asthma which the doctor's attribute to the polluton in Hong Kong. Many other people I know, including myself, have developed what is VERY COMMONLY known as the "Hong Kong Hack", for the chronic cough brought on by the deteriorating environment. Please do something.

As a Hong Kong citizen, I am very much concerned about the air pollution caused by the power stations. I strongly demand the government to enhance control in the electricity market, so as to restrict all sorts of pollution induced by power generation. These control measures must not be used by the electricity companies as a pretext for an escape from their social and environmental responsibilities. I thus recommend:

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Sign: Tyler E. Goodwin