

BEC's Views on the Future Development of the Electricity Market

BEC's Submission



The Environment Bureau ("ENB") of the Hong Kong SAR Government launched a three-month "Public Consultation on the Future Development of the Electricity Market" on 31 March 2015. BEC made a submission to ENB on 25 June 2015.

BEC's Views

Scheme of Control Agreements ("SCA")

- ⊕ SCA framework has worked very effectively to allow Hong Kong to meet its four energy policy objectives (i.e. safety, reliability, affordability, environmental performance)
- ⊕ BEC supports continuing to use the SCA as a regulatory framework
- ⊕ SCA can be refined, in particular with respect to the environmental performance objective



Choice of Electricity Supply

The value of providing choice to consumers should be carefully weighed against the cost of providing choice



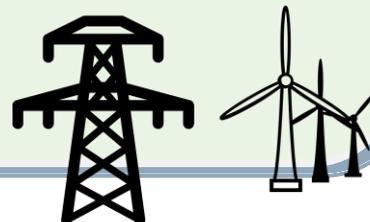
The provision of choice should not be at the expense of Hong Kong's ability to meet its four energy policy objectives



Renewable Energy

BEC supports:

- ⊕ Development of renewable energy as part of a multi-pronged strategy to reduce carbon emissions
- ⊕ Facilitating grid access to allow clean distributed generation in Hong Kong on a more widespread basis on fair and reasonable terms
- ⊕ Establishing strong incentive structures for the two local power companies to speed the development of large commercial scale renewables
- ⊕ Carefully studying the feasibility of importing clean, low carbon energy from Mainland China as soon as this can be reliably delivered



Demand Side Management

- ⊕ BEC believes that programmes for enhancing energy efficiency are a critical part of transforming the electricity market to a clean, low carbon market. BEC encourages Government to accelerate efforts in this area including supporting efforts by power companies to develop a smarter grid to facilitate energy efficiency programmes.
- ⊕ BEC believes that the SCA should include aggressive energy efficiency targets for power companies tied to compelling incentives.
- ⊕ BEC encourages Government to assess how best to work with the power companies on energy efficiency education initiatives that meet the priorities laid out in the Government's Energy Saving Plan.

Way Forward

In order to take forward meaningful reforms to transition Hong Kong to a low carbon economy, we need:

**Decisive action
by Government**

**Strong partnership
amongst Government, the
power companies and the
public**



About Business Environment Council Limited 商界環保協會有限公司

Business Environment Council Limited 商界環保協會有限公司 (“BEC”) is an independent, charitable membership organisation, established by the business sector in Hong Kong. Since its establishment in 1992, BEC has been at the forefront of promoting environmental excellence by advocating the uptake of clean technologies and practices which reduce waste, conserve resources, prevent pollution and improve corporate environmental and social responsibility. BEC offers sustainable solutions and professional services covering advisory, research, assessment, training and award programmes for government, business and the community, thus enabling environmental protection and contributing to the transition to a low carbon economy.

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