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**ACE Paper 9/2010**

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## **Environment and Conservation Fund Buildings Energy Efficiency Funding Schemes**

### **PURPOSE**

This paper updates Members on the implementation of the Buildings Energy Efficiency Funding Schemes (the Schemes) set up under the Environment and Conservation Fund (ECF).

### **BACKGROUND**

2. Climate change is one of the most important challenges facing mankind. In the 2008-09 Policy Address, the Chief Executive highlighted the need to make early preparations to meet the challenge of climate change. In particular, we will enhance energy efficiency, use clean fuels, rely less on fossil fuel, and promote a low carbon economy – an economy based on low energy consumption and low pollution.

3. Energy consumption is closely related to greenhouse gas (GHG) emissions. In Hong Kong, buildings account for 89% of the total electricity consumption. Therefore, reducing electricity consumption of buildings, e.g. by improving their energy efficiency, is instrumental in bringing down our GHG emissions and improving our air quality.

4. The Schemes have been opened for application since 8 April 2009. Under the Schemes, \$150 million has been earmarked to subsidize owners of residential, commercial or industrial buildings to carry out energy-cum-carbon audits (ECA), and another \$300 million has been earmarked to subsidize building owners to conduct energy efficiency projects (EEP). Funds are granted on a matching basis. The funding

limit for both ECA and EEP is 50% of the approved total actual expenditure, subject to a cap of \$150,000 and \$500,000 per building respectively.

## **PROGRESS UPDATE**

5. As at 31 March 2010, a total of 1,078 applications were received (204 for ECA and 874 for EEP), covering a total of 7,600 buildings, i.e. about one in six of the 41,600 buildings in Hong Kong have submitted applications. Of these applications, 44% applications involve single buildings and 56% involve multiple buildings. The bulk of which are residential buildings (67%), followed by commercial buildings (13%), industrial buildings (10%) and composite buildings (10%). Up-to-date, a total grant of \$76 million have been approved in respect of 346 funding applications involving 2,200 buildings. The approved projects will give rise to 15,300 man-month of job opportunities. Progress in processing the applications is set out at the **Annex**.

### **Energy Efficiency Projects**

6. The bulk of the 246 approved EEP applications are from residential buildings (74%), followed by residential-cum-commercial buildings and industrial buildings (both around 9%), as well as commercial buildings (8%). Applications involving single and multiple buildings account for 35% and 65% of the applications respectively. Around 80% of the approved applications sought funding for lighting installations, followed by those which sought funding for lifts and escalators (around 10%). The approved projects will lead to a saving in electricity consumption of 47.3 million kWh per annum, which is equivalent to a reduction of 33,100 tonnes of carbon dioxide emissions.

### **Energy-cum-carbon Audit Projects**

7. The bulk of the 100 approved ECA applications are from residential buildings (67%), followed by commercial buildings (17%), residential-cum-commercial buildings (10%) and industrial buildings (6%). Applications involving single and multiple buildings account for 38% and 62% of the applications respectively.

## **PROMOTIONAL EFFORTS**

8. We have been publicizing the Schemes through various channels. Since 2009, over 60 briefings have been conducted for District Councils, property developers, property management companies, property owners, district organisations, engineering professional organisations and the electrical trades. Promotional posters and leaflets have been provided to owners' corporations and owners' committees. Dedicated websites have been set up and announcements of public interests have been broadcast on television and radio. We will continue the relevant publicity efforts to encourage applications.

## **ADVICE SOUGHT**

9. Members are invited to note progress of implementation of the Schemes as set out above.

**Environment Bureau**  
**May 2010**

**Buildings Energy Efficiency Funding Schemes  
Progress in Processing Applications  
(as at 31 March 2010)**

	<b>Energy-cum-carbon Audit Projects</b>	<b>Energy Efficiency Projects</b>	<b>Total</b>
<b>(1) Applications received -</b>	204	874	<b>1,078</b>
<i><b>Progress of processing applications :-</b></i>			
(i) <i>Approved</i>	100	246	<b>346</b>
(ii) <i>Rejected (see Note)</i>	23	121	<b>144</b>
(iii) <i>Withdrawn</i>	26	42	<b>68</b>
(iv) <i>To be submitted to the Energy Conservation Projects Vetting Sub-committee for approval</i>	9	50	<b>59</b>
(v) <i>Further information from applicants being sought</i>	46	393	<b>439</b>
(vi) <i>Being processed</i>	0	22	<b>22</b>
<b>(2) Total funding approved -</b>	\$5.73 million	\$70.15 million	<b>\$75.88 million</b>

Note: Applications were rejected on the following grounds –

1. failure to meet the eligibility criteria; or
2. failure to provide adequate information for assessment despite repeated written requests; or
3. breaching other terms in the Guides to Applications, e.g. the proposed projects have already commenced before approval by the Energy Conservation Projects Vetting Sub-committee.