

**Confirmed Minutes of the 147th Meeting of
the Advisory Council on the Environment
held on 10 December 2007 at 2:30 pm**

Present:

Prof LAM Kin-che, SBS, JP (Chairman)
Prof WONG Yuk-shan, BBS, JP (Deputy Chairman)
Dr Dorothy CHAN, BBS
Mr James GRAHAM
Ms Betty HO
Mr Edwin LAU
Dr MAN Chi-sum, JP
Dr NG Cho-nam, BBS
Prof POON Chi-sun
Mr Markus SHAW
Mr TSANG Kam-lam
Mr Simon WONG
Prof WONG Tze-wai
Dr YAU Wing-kwong
Mr Carlson K S CHAN (Secretary)

Absent with Apologies:

Prof Howard HUANG
Prof Paul LAM
Ms Goretti LAU
Mr Eddie WONG

In Attendance:

Ms Anissa WONG, JP	Permanent Secretary for the Environment
Mr C C LAY	Assistant Director (Conservation), Agriculture, Fisheries and Conservation Department
Mr P Y TAM	Assistant Director/Technical Services, Planning Department
Ms Monica KO	Principal Information Officer, Environmental Protection Department (EPD)
Ms Josephine CHEUNG	Chief Executive Officer (CBD), EPD
Mr KWAN Chung-kit	Office Manager (CBD), EPD
Miss Sarah NG	Executive Officer (CBD), EPD

In Attendance for Agenda Item 4:

Mr TSE Chin-wan, JP	Assistant Director (Air Policy), EPD
Mr Benny WONG	Assistant Director (Air Policy) (Designate), EPD
Mr MOK Wai-chuen	Principal Environmental Protection Officer (Mobile Source Control), EPD

In Attendance for Agenda Item 5:

Mr TSE Chin-wan, JP	Assistant Director (Air Policy), EPD
Mr Benny WONG	Assistant Director (Air Policy) (Designate), EPD
Mr PANG Sik-wing	Principal Environmental Protection Officer (Air Policy), EPD

Action

Agenda Item 1 : Confirmation of the draft minutes of the 146th meeting held on 12 November 2007

The draft minutes were confirmed without amendments.

Agenda Item 2 : Matters arising from the minutes of the 146th meeting held on 12 November 2007

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

Agenda Item 3 : Report on the 99th Environment Impact Assessment Subcommittee meeting *(ACE Paper 24/2007)*

3. The Chairman of the Environmental Impact Assessment (EIA) Subcommittee reported the recommendations of the EIA Subcommittee on the following two EIA reports –

- (a) dredging works for proposed cruise terminal at Kai Tak; and
- (b) decommissioning of the former Kai Tak Airport other than the north apron.

4. The meeting agreed that the Council should endorse the EIA report

on (a) without condition and endorse the EIA report on (b) with the proposed condition that the contaminated soil treated by means of cement solidification/stabilization to be backfilled to the project site should be filled at a minimum of 1 metre above groundwater level to minimize the long-term potential impacts of leaching to the underground water.

Agenda Item 4 : Public consultation on banning idling vehicles with running engines

(ACE Paper 23/2007)

5. Mr Mok Wai-chuen briefed Members on the proposal for requiring motorists to switch off vehicle engines while idling. He highlighted that a five-month consultation exercise had commenced on 2 November 2007 to seek the public's views on the proposal. Apart from consulting the public, the Administration would conduct consultation with the transport trades and other relevant trades.

6. A Member asked whether exemption would be given to vehicles providing mobile services to the public, such as mobile libraries and mobile centres for dental, ophthalmic or other medical services. Mr Mok Wai-chuen said that the proposed exemptions were based on a general principle that exemption would be given for idling vehicles to run their engines for genuine operational needs rather than for the purpose of providing comfort and convenience to the passengers.

7. In reply to the Chairman's enquiry about the practices of granting exemptions in overseas countries, Mr Tse Chin-wan said that the principle of granting exemptions adopted in the proposal was in line with overseas practices. For example, in Singapore, exemptions were given to vehicles requiring the operation of on-board machinery for ancillary purposes. In Toronto and Canada, exemptions were given to emergency vehicles such as police cars and fire engines or mobile workshops. On operational details of the exemptions, the views of relevant transport trades would be taken into account.

8. In response to a Member's enquiry, Mr Tse Chin-wan said that it was proposed that exemptions would be given to the first two taxis at a taxi stand. The exemption was in line with the statutory requirement for the drivers of the

first two taxis at a taxi stand to sit in or stand beside their taxis. Moreover, exemption would also apply to taxis queuing up at their designated stops, stands or termini moving slowly for their turns to pick up waiting passengers.

9. The Chairman asked about the control measures in overseas cities. Mr Tse Chin-wan said that there were some differences in the implementation details in different countries. For example, in some cities of North America, a time limit of about three to five minutes was allowed. In Toronto, the ban was not applied to vehicles when the ambient temperature inside a vehicle was more than or less than certain degrees to allow some exemptions in very hot or very cold days. It was observed that these exemptions or allowances were not granted in countries, such as Singapore, Japan, Europe and the UK, which implemented the ban more recently in view of possible enforcement difficulties.

10. The Chairman said that the general public might be concerned about the extent of improvement in air quality brought about by the reduced emissions after implementation of the ban. Mr Tse Chin-wan said that according to the American Lung Association which promoted the ban on idling vehicles with running engines, vehicular emissions contained toxic chemicals which might impair the functioning of the lung and heart, irritate the eyes and affect a person's capability to work and learn. However, it was difficult to quantify the extent of improvement in air quality by reduced emissions from a single idling engine or a fleet as it would also depend on a number of factors such as maintenance conditions and types of vehicles. Nonetheless, the improvement brought about by the ban would be more significant in a localized environment, such as a bus or public light bus (PLB) terminal or on the roadside, as the emissions and heat generated by running engines would directly affect the health of passers-by. He highlighted that the ban on idling engines had been implemented in most advanced countries. There were overwhelming calls in the world for tightening the control of idling vehicles amid the growing concern about air quality. Hong Kong had no time to lose in introducing the ban.

11. A Member supported the proposal. He understood the difficulty in quantifying the total amount of emission reduction brought about by the proposed ban. He considered that the improvement was significant in a localized environment where the roadside emissions were at a very high level, especially in narrow streets such as those in Mongkok and Tsim Sha Tsui. The level of toxic

emissions was extremely high and detrimental to the health of pedestrians and residents in the vicinity. Nonetheless, he anticipated that there would be teething problems in the enforcement.

12. A Member considered that a very long time had been taken to materialize the ban which was only a small step in reducing roadside emissions. He noted that the proposed ban was only part of the whole package in improving roadside air quality. He asked what other measures would be taken in parallel to protect the public from roadside emissions, such as by segregating the pedestrians from the traffic.

13. Mr Tse Chin-wan said that measures in improving roadside air quality were part of the overall strategy in improving air quality. The Administration had taken and would continue to implement a series of measures to tackle the problem. On emissions from motor vehicle fleet, very stringent vehicular emission and fuel quality standards were adopted. Incentive schemes were introduced for the use of cleaner fuels, such as tax incentives to encourage the use of Euro V diesel as well as liquefied petroleum gas vehicles and environment-friendly cars. The bus fleet was retrofitted with better-designed filters. Enforcement measures had been stepped up. On measures to segregate the pedestrians from the traffic flow, joint efforts had been made with the Transport Department (TD) to set up more pedestrian zones in congested areas. On traffic management, they were working closely with TD to reduce the number of bus trips and remove overlapping bus routes. Several thousands of bus trips had been reduced between Causeway Bay and Central and more would be explored. The long-term plan was to expand the rail-based transportation system. While some achievement had been observed in improving roadside air quality, more efforts would be made for greater achievement. Separately, a study had been commissioned on the review of the air quality objectives (AQOs) and developing a long-term air quality strategy. The problem of roadside emissions would be addressed at a more strategic level, including the integration of transport, planning and pollution control strategies. The issue was a complex one and would require deliberation and careful consideration by the community at large.

14. A Member said that as the issue of roadside emissions involved a number of government bureaux and departments, leadership in the Administration

was required to tackle the issue at a strategic level. Mr Tse Chin-wan said that the Environmental Protection Department (EPD) was taking the lead in the overall review. Relevant bureaux and departments were involved in the deliberation at an early stage and would work closely for a better living environment of Hong Kong.

15. A Member said that he had expressed doubts in another occasion about the overall benefit of such a measure which could not bring about much benefit to the improvement of overall air quality. Having said that, he agreed with Members that the proposal was beneficial to the localized environment. Moreover, he agreed with a Member about the urgency in tackling the problem of air pollution. It was necessary for the Administration to have a commitment to a top-down macro strategy in improving air quality, including local sources from power generation, traffic and marine vessels as well as in a regional context. The Chairman concurred that the air quality issue should be tackled in a holistic manner.

16. A Member recalled that the Council had lengthy deliberations of the air quality issue in several occasions and agreed on the need for a holistic and integrated approach, including urban planning and transport policies, in tackling the problem. However, not much progress was observed. Upon the redistribution of work among policy bureaux in the Government in July 2007, environment policy and transport policy came under different bureaux which make coordinated efforts even more difficult. While an 18-month study was being undertaken by EPD to review the AQOs and develop long-term air quality strategy, the pace should be made faster by starting some preparatory ground works early to pave the way for the next step.

17. A Member supported the proposed ban which was part of the package to improve air quality. She agreed that it was necessary to adopt an integrated approach to tackle the air quality issue. She suggested the Council to express Members' concern about the issue to the Development Bureau and urge the top management to implement improvement measures in the area of urban planning design.

18. A Member considered that during the consultation period, it was important to reach out proactively to collect views of the general public on top of

those from relevant stakeholders. A systematic outreaching programme to distribute and collect questionnaire reply forms was necessary. Mr Tse Chin-wan said that there was a comprehensive publicity plan in raising public awareness of the proposal and collecting views from a wide spectrum, including outreaching programmes to conduct questionnaire surveys targeted at the general public. Moreover, they were soliciting the support of large corporations to take the lead for drivers of their company cars to switch off the engines while waiting as well as the support of non-government organizations and schools to roll out community-based activities.

19. A Member supported the proposal. He considered that while the impact of the proposal on the overall air quality might not be very significant, the implementation of the ban was an important step to show the Administration's determination to improve air quality and the community's care for the environment by changing habits and mindset. He agreed with another Member that a more infiltrated publicity programme was required. He suggested that the Administration could work with schools to collect views of the parents which would be a good way to educate the students.

20. A Member considered that one of the reasons for the ban not being made mandatory earlier was the difficulty in tackling the operational and enforcement problems. She anticipated that the transport trades, especially taxis and PLBs, would likely object to the proposal. One of their concerns was the increased repair and maintenance costs due to the frequent restarting of the vehicle engines. There might also be genuine operational problems under some circumstances, such as taxis waiting outside the taxi stands. She anticipated enforcement difficulties in the early stage of implementation. She suggested the Administration to encourage the taxi trade operators to try out the system of different patterns of operations at different types of taxi stands in order to come up with a workable scheme of operation before finalizing the proposal.

21. Mr Tse Chin-wan said that they were aware of the concerns of the transport trades about possible damages to engines and increased maintenance costs due to frequent restarting of vehicle engines. Based on research findings of the Office of the Energy Efficiency in Natural Resources of Canada, frequent restarting of vehicle engines had little impacts on the engine components, such as motor starters and batteries. The savings in fuel costs were well above the

maintenance costs due to wear and tear of engines. Regarding the practicability of the ban on taxis, PLBs and buses, they had discussed with the trade operators and conducted site visits to ascertain that the measures were reasonable and practicable. Thus, the proposal included the exemptions to taxis, PLBs, or buses at their designated stops or stands either on-street or a termini, which were in the process of passenger boarding or alighting. The exemption would also apply to taxis and PLBs in a moving queue at their designated stops, stands or termini for their turns to pick up passengers.

22. A Member considered the proposed ban a good move in reducing roadside emissions. He noted that the number of complaints against idling vehicles with running engines remained relatively stable from 2002 to 2005 but increased quite substantially from 308 cases in 2005 to 501 cases in 2006. He asked about the reasons and nature of the complaints. Mr Mok Wai-chuen said that the complaints were related to nuisance caused to passers-by, including vehicular exhausts and odour problems. One of the major reasons was the increased complaints against tourist coaches from 65 cases in 2002 to 144 cases in 2006. In view of this, EPD had drawn up a set of guidelines in consultation with the Tourism Board to advise tourist coach drivers to switch off engines while waiting to minimize nuisance.

23. A Member supported the proposal. He asked whether there would be measures to tackle possible cases where the drivers tried to circumvent the control by circulating on the road, resulting in more emissions and possibly traffic congestion problems. This would probably be the case for tourist coaches. Mr Tse Chin-wan said that this kind of problem was associated with the drivers' behaviour and attitude towards protecting the environment and well being of other people. These had to be changed by education. With the growing concern about air quality and sentiments of the community which favoured stronger control on idling engines, it was hoped that public awareness would be raised and the culture could be gradually changed.

24. A Member said that the number of tourists increased significantly from about 10 million in 2002 to about 26 million in 2006. He considered that EPD should work with relevant bureaux and the Tourism Board to consider ways to cope with the increased demand in related areas, such as the provision of more car park spaces for tourist coaches. Mr Mok Wai-chuen said that they noted the

phenomenon and had been working closely with the Tourism Board to educate the drivers of tourist coaches to switch off engines while waiting. Moreover, should the ban be introduced, he considered it important to tell tourists about the ban for their support and understanding. This would help building the image of Hong Kong as an environmentally conscious city.

25. A Member suggested installing a kind of plug-in system in tourist coach parking areas which could provide electricity for the tourist coaches to maintain the air-conditioning system running for certain durations without the need to keep the engines running. This would also provide good service for the tourists in the hot days.

26. The Chairman summarized Members' views as follows –

- (a) the Council was supportive of the proposed ban to tackle the problem of roadside emissions. The ban would bring benefits particularly to localized environment where nuisance caused by running engines was serious given the street canyon effect in urban areas of Hong Kong;
- (b) the Council noted that despite the efforts in strengthening public education and publicity to promote the good practice of switching off idling engines since 2001, there was not much progress. It was time to go beyond the educational approach and pursue the statutory ban;
- (c) the Council encouraged the Administration to seek the views of stakeholders, including transport trade operators and the Tourism Board, to fine-tune the operational details to ensure smooth implementation of the ban;
- (d) the Council suggested the Administration to reach out to the public proactively in order to consult and engage them for feedbacks on the proposal; and
- (e) the Council reiterated that a holistic and integrated approach was necessary to tackle the air quality issue in Hong Kong. The

proposed ban was only one of the many measures to improve the problem. The Council looked forward to discussing the overall strategy in tackling the air quality issue in the near future and seeking the support of relevant bureaux where necessary.

Agenda Item 5 : A proposal to amend the Air Pollution Control Ordinance (Chapter 311)
(ACE Paper 25/2007)

27. Mr Tse Chi-wan briefed Members on the background and objectives of the proposal to amend the Air Pollution Control Ordinance (APCO) (Chapter 311) and Mr Pang Sik-wing briefed Members on the details of the proposal.

28. A Member supported the proposed amendments to the APCO. He asked about the relationship between the time frame of “not less than once every three years” in paragraph 9 and “no less than four years” in paragraph 11 of the paper. Mr Tse Chin-wan explained that the time frame of “not less than once every three years” in paragraph 9 referred to the regular update of the allocation of emission allowances to individual power plants. As the market share in electricity generation would change over time, it was necessary to update the allocation regularly in accordance with the power plants’ total amount of electricity generated for local consumption. The time frame of an advance notice of “no less than four years” in paragraph 11 referred to the lead time given for power companies to adjust their operation once there was a change in the allocation of emission allowances.

29. The Chairman and a Member enquired about the rationale of allocating emission allowances broadly equivalent to 1% of the total emission allowances for the power sector to the new power plants. Mr Tse Chin-wan explained that much consideration had been given to the allocation of emission allowances to cater for the requirements of potential new comers and ensure that the scheme would not restrict new entrants to the electricity market. Given that all new power generation units in Hong Kong had to use gas or cleaner fuel such as renewable energy, a 1% emission allowances for a gas-fired power plant were broadly equivalent to about 4% of the generation capacity of an existing coal-fired power plant. The 1% emission allowances were considered sufficient for the new power plant to enter the local electricity market and yet should have little

impact on the overall emission levels of Hong Kong. Moreover, there would be a regular review mechanism to monitor the expansion of new power plants with reference to their market share for the grant of emission allowances. In reply to the Chairman's enquiry, Mr Tse confirmed that the allocation of emission allowances would be on the basis of individual power plants. The exact level of emission allowances would depend on the electricity generated by the power plant for local consumption.

30. A Member enquired about the impact of the proposal on waste-to-energy plant or the proposed integrated waste management facilities (IWMF). He considered that it was important to ensure that the proposed amendments to the APCO could cater for the development of the IWMF. Mr Tse Chin-wan explained that waste-to-energy plant was not a conventional power plant. It would incorporate the state-of-art emission reduction facilities and thus emissions would be extremely low. Moreover, it would depend very much on the design and operation of the plant. A purely waste-to-energy plant would not be controlled under the provisions on electricity works under the APCO, which only provided for controlling power plants using fossil fuels for power generation. Nonetheless, it would be controllable under other provisions of the APCO.

31. The Chairman asked whether the current legislation already allowed the Administration to impose emission caps on power plants. Mr Tse Chin-wan said that the current legislation empowered the authority to impose emission caps on power plants as conditions upon renewal of their SPLs. Emission caps had been imposed since 2005. As there were community concerns on whether and how the 2010 emission reduction targets could be achieved and to show the Administration's determination to achieve the targets, setting out the emission allowances and methodologies for allocating these emission allowances to individual power plants by means of a Technical Memorandum under the APCO would ensure a transparent, timely and smooth implementation of the emission caps.

32. A Member noted that there would be a number of legislative proposals on environmental initiatives in the current legislative year, including the proposed environmental levy on plastic shopping bags and mandatory building energy efficiency scheme. Given that there were existing provisions to impose emission caps on the power plants, he wondered whether high priority should be

accorded to the proposed amendments to the APCO as compared with other more urgent legislative proposals.

33. Mr Tse Chin-wan explained that while the two local power companies were engaged in the discussion of emission caps since 2003 and emission caps were imposed on power stations upon renewal of their SPLs since 2005, agreements had not yet been reached with all power companies on the 2010 emission caps. The negotiation process was still going on and time was running out. By setting the emission caps under the legislation, timely achievement of the targets could be ensured. In view of the seriousness of the air pollution problem and urgency of the need to meet the 2010 emission reduction targets, the legislative amendments were considered necessary. The Chairman agreed that it was of vital importance that Hong Kong had to achieve the 2010 emission reduction targets agreed with the Guangdong Provincial Government.

34. A Member asked how the proposal, in particular the use of emissions trading scheme, could actually reduce the amount of emissions in Hong Kong. Mr Tse Chin-wan said that the proposed 2010 emission allowances for power sector would enable the reduction of 54% of sulphur dioxide (SO₂), 24% of nitrogen oxides (NO_x) and 52% of respirable suspended particulates (RSP) compared with the 1997 levels. As power generation accounted for about 90% of the SO₂ and about half of the NO_x and RSP emitted locally, the reduction levels would be very substantial. As for SO₂, the latest record showed that the level was still 31% above the 1997 level which was still a long way from the target of reduction of 40% below the 1997 level. Thus, it was essential to impose the emission caps. He highlighted that the Emissions Trading Pilot Scheme for thermal power plants in the Pearl River Delta region (Pilot Scheme) by itself was not a pollution reduction measure. It aimed at providing a more market-oriented and cost-effective alternative for power companies to comply with the emission caps. Other technical means such as the retrofitting and installation of emission reduction facilities and sourcing of coal with low sulphur contents would still be required.

35. A Member expressed concern about the trading option under the emissions trading scheme in economic terms for achieving environmental targets. When power companies were allowed to trade the emission credits internationally, the reduction in emissions could not benefit the air quality of Hong Kong.

The Chairman said that the boundary of the framework of the Pilot Scheme was restricted to the Pearl River Delta (PRD) region and thus reduction of emissions in the PRD region would benefit Hong Kong which shared the same air shed. Ms Anissa Wong said that under the Pilot Scheme, the trading of emission credits among different power companies in the PRD region had to be approved by a joint panel with representatives from HKSAR Government and Guangdong Provincial Government in order to ensure that the concerned power plants could comply with the emission caps imposed by the respective Governments.

36. Mr Tse Chin-wan added that the smog problem of the region was mainly due to the very fine particles as a result of the reaction of different chemicals in the atmosphere. Findings of air quality modellings and assessments showed that there would be marked improvement in the smog problem when the reduction targets of SO₂, NO_x, RSP and volatile organic compounds (VOCs) in the air shed of PRD region could be achieved. To tackle the regional air pollution problem, the reduction achieved by a power plant in Hong Kong or a corresponding level of reduction by a power plant in Guangdong Province could achieve similar level of result. This was different from the case of roadside emissions which was a localized problem for Hong Kong and thus had to be dealt with by other measures.

37. A Member recalled that during the discussion of the Pilot Scheme by the Council in early 2007, there were concerns about the effectiveness of the scheme in reducing emissions in the region and whether the emission credits were expensive enough to incentivize the local power companies to invest in emission reduction facilities. A Member considered that the emission credits would usually be cheaper than capital investments in facilities. A Member agreed that the local power companies would tend to buy emission credits rather than investing in expensive emission reduction facilities.

38. Mr Tse Chin-wan explained that the Pilot Scheme was a very carefully monitored programme. Under the Pilot Scheme, the local power company and the trading partner in Guangdong had to submit an emission reduction proposal for the endorsement by the joint panel. They had to prove that there would be net reduction in the emissions of the seller below the levels permitted by the relevant regulatory authority, such as by retrofitting or installation of emission reduction facilities. The local power companies had

expressed the view that they had to consider the pros and cons of the proposed scheme very carefully before embarking upon emissions trading. A Member said that the business sector was concerned that reliability and safety of electricity supply should not be affected by new initiatives in achieving the emission caps.

39. A Member said that while he supported the imposition of emission caps, he considered the approach was rather punitive in nature. He suggested that investments in retrofitting or cleaning up the facilities be counted towards capital investment for calculating the rate of return in order to give incentives for power companies to make capital investments rather than passing the increased costs of production to consumers. A Member agreed that the general public would be concerned about whether the imposition of emission caps would lead to increase in tariff.

40. Mr Tse Chin-wan said that in the Consultation Paper for the Future Development of the Electricity Market in Hong Kong, it was proposed that the power companies would be allowed 7% of permitted rate of return for investments in emission reduction facilities. Moreover, the permitted rates of return would also be linked to the performance with bonus proposed for over-achievement of emission caps and reduction in rates of return if the caps could not be achieved. Under the Pilot Scheme, the costs for emissions trading could only be counted as expenses and would not attract any return. Hence under the proposal, there were economic incentives for power companies to invest in emission reduction facilities in Hong Kong.

41. A Member considered the proposed amendments to the APCO a good move. He considered that the essence of the proposal was the allocation of emission allowances to different power plants based on a baseline level to achieve the emission reduction targets. Given the advanced technologies in the power sector, there was ample room for power companies to make use of various means to meet the requirements. Moreover, he appreciated that the allocation of emission allowances to individual power plants was determined with reference to their amount of electricity generated for local consumption. This would ensure that the power companies would not increase the emissions for selling electricity outside the territory.

42. A Member asked why carbon dioxide (CO₂) was not included in the

proposal for the imposition of emission caps. While CO₂ was not a type of pollutant emission, it was a major greenhouse gas leading to global warming. Mr Tse Chin-wan explained that Hong Kong had reached a consensus with the Guangdong Provincial Government on the reduction of SO₂, NO_x, RSP and VOCs and both parties were working towards the emission reduction targets within a time frame. There had been lengthy discussion with the power companies on imposing emission caps on these air pollutants. The time was mature and it was practical to impose the emission caps by means of legislation. The situation for CO₂ was different. As a significant proportion of electricity was still generated by coal, substantial reduction of CO₂ would require a drastic change in the fuel mix for power generation. This would require a number of corresponding changes in the power sector, such as fuel mix and generation units, and would also have potential impacts such as changes in electricity tariff. These issues had to be examined in depth before the emission caps on CO₂ could be imposed.

43. A Member considered that it was worthwhile to pursue the emission caps on CO₂ in the long run. The Castle Peak Power Station was a good example for changing from a coal-fired plant to a natural gas-fired plant.

44. A Member considered that the proposal was a good initiative which would provide a transparent system for the power companies to comply with. He enquired about the implications of the proposal on the development of power sector. Mr Tse Chin-wan said that with the imposition of emission caps by legislation, the power companies would have to take this into account in their development plans. It was anticipated that cleaner power generation methodologies and more advanced emission reduction technologies would be used. On the level of penalty, it was the same as those stipulated in the licence conditions. The same level of penalty was imposed on other types of industries. Regarding the emission caps on non-power sector, it would require some time for the system to run and refine before extending to other sectors. In parallel, there were a number of emission control programmes for other sectors, such as motor vehicles and industrial sector. On the whole, the level of emissions had been reducing steadily and the trend would continue.

45. In reply to a Member's enquiry, Mr Tse Chin-wan said that the target was to introduce the amendment bill to the Legislative Council in February 2008 with a view to bringing the amendments into operation in 2008.

46. The Chairman concluded that the Council supported the proposal to amend the APCO. The proposal would –

- (a) ensure a smooth, timely and transparent implementation of the emission caps for the power sector which was crucial for the achievement of the 2010 emission reduction targets;
- (b) facilitate the use of emissions trading as a cost-effective alternative for power plants to achieve the emission caps; and
- (c) ensure the independence and impartiality of the Appeal Board under the APCO.

Agenda Item 6 : Any other business

Visit to South East New Territories Landfill Site and Waste Fill Bank

47. The Chairman informed Members that a visit was scheduled for 19 December 2007 to visit the South East New Territories Landfill site. The opportunity was also taken to include a brief visit to the Construction and Demolition Waste Fill Bank managed by the Civil Engineering and Development Department nearby. The Secretariat would consult Members' availability.

Tentative items for discussion at the next meeting

48. The agenda was being compiled. Members would be informed in due course.

Agenda Item 7 : Date of next meeting

49. The next meeting was scheduled for 14 January 2008.

**ACE Secretariat
December 2007**