

Miss Dora CHU Executive Officer (CBD) 1, EPD
Mr Alan CHUNG Executive Manager (CBD), EPD
Miss Apple LEUNG Executive Officer (CBD) 2, EPD

In Attendance for Item 3:

Mr W C MOK Assistant Director (Air Policy), EPD
Mr Dave HO Principal Environmental Protection Officer (Mobile Source), EPD

In Attendance for Items 4 & 5:

Mr K F TANG Assistant Director (Environmental Assessment)
Mr WONG Chuen-fai Principal Environmental Protection Officer (Strategic Assessment), EPD
Mr Richard WONG Acting Principal Environmental Protection Officer (Metro Assessment), EPD
Mr Edward LAM Senior Environmental Protection Officer (Strategic Assessment) 3
Mr TSE Kiu-chung Assistant Environmental Protection Officer (Strategic Assessment) 32

Action

The Chairman informed Members that apologies of absence had been received from Prof Chau Kwai-cheong, Ir Cary Chan, Mr Anthony Lock, Ir Conrad Wong and Ms Pansy Yau.

Item 1 : Confirmation of the draft minutes of the 217th meeting held on 5 September 2016

2. The draft minutes were confirmed without amendment.

Item 2 : Matters arising

3. Pursuant to the discussion of the item on “Expansion of Hong Kong International Airport into a Three-Runway System - Report on the Effectiveness of SkyPier Plan on Chinese White Dolphins” in the meeting on 5 September 2016, the Airport Authority Hong Kong (AAHK) had provided supplementary information as requested by Members on 4 November 2016. The Secretariat had already passed Members’ further comments and suggestions to AAHK for a written response, and would provide a summary for Members’ easy reference in due course.

Secretariat

4. With the understanding that AAHK would be reporting to ACE in early 2017 on the findings on the review of Chinese White Dolphins (CWDs) distribution and abundance within the western Hong Kong waters and the effectiveness of the SkyPier Plan on CWDs with the consideration of seasonal variation, the Chairman suggested and Members agreed that any further enquiries would be raised at that time.

Item 3 : Proposals to Tighten Emission Standards for Newly Registered Vehicles

(ACE Paper 15/2016)

5. The Chairman informed that the paper sought Members' views on tightening the statutory emission standards for newly registered motor vehicles. The discussion would be divided into the Presentation cum Question-and-Answer Session and the Internal Discussion Session.

[The presentation team joined the meeting at this juncture.]

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

6. By way of a powerpoint presentation, Mr W C Mok briefed Members on the existing policies and the prevailing statutory emission standards, as well as the latest developments and outcomes of the trade consultation. He sought Members' views on the proposal to tighten from 1 July 2017 the statutory emission standards for newly registered motor vehicles, except diesel private cars, to Euro VI in phases, and for newly registered diesel private cars to California LEV III, to improve roadside air quality.

[Two Members joined the meeting at this juncture.]

7. While expressing support for tightening the emission standards for newly registered vehicles, a Member considered that the implementation timetable for tightening the emission standard should tie in closely with the availability of the vehicle models compliant with the new standards on the local market. Mr W C Mok explained that the availability of compliant vehicle models had been a key consideration of the Environmental Protection Department (EPD) in working out the timetable for tightening vehicle emission standard for a specific vehicle class. He further explained that the supply would generally be considered adequate if the

total market share of manufacturers supplying compliant vehicle models had reached around 70%. Consideration would also be made on whether dominant suppliers could do so. Mr Mok added that while Japanese vehicle manufacturers, who collectively had a substantial local vehicle market share, were upgrading the emission performance of their vehicles as their European Union counterparts, the former often lagged behind the latter in producing cleaner diesel vehicles. As regards diesel private cars, Mr Mok agreed with the Member that the emission standard should be tightened to LEV III as early as possible, and explained that the proposed commencement date for tightening the emission standard of diesel private cars was scheduled on 1 July 2017 because the preparation for the necessary legislative enactment would take at least 6 months.

8. Addressing a Member's question on the difference between the Euro VI and LEV III emission standards, Mr W C Mok explained that the major difference was the more stringent emission test cycles of the LEV III emission standard, which had more severe transient driving operations. Since only very few diesel private cars could meet this more stringent standard, the adoption of LEV III emission standard would effectively discourage their new registration in Hong Kong. In reply to the Member's question on whether only vehicles with the relevant emission certification could be imported into Hong Kong once the emission standard was tightened, Mr Mok replied in the affirmative. Mr Mok supplemented that the certification must be recognized by the relevant approval authorities.

9. Considering that supply of Euro IV motor cycles was still limited in the local market, a Member enquired about the use of electric motor cycles in Hong Kong. Subject to compliance with the Road Traffic Ordinance, Mr W C Mok explained that the Transport Department would accept applications for first registration of electric motor cycles. He also mentioned that the current first registration tax waiver for electric vehicles included electric motor cycles to encourage its use.

10. In reply to a Member's question concerning the benefits of upgrading the emission standard of buses to Euro VI, Mr W C Mok advised that buses fell under the category of heavy duty vehicle, which would emit about 80% less nitrogen oxides (NO_x) and 50% less respirable suspended particulates (RSP) when compared with their Euro V counterparts.

11. With regard to the implementation timetable for bus with design weight not more than 9 tonnes and light bus, Mr W C Mok advised that the timing for an adequate supply of their Euro VI vehicle models on the local market was still uncertain. He assured Members that EPD would continue to monitor closely their supplies with a view to tightening their emission standards to Euro VI as soon as practicable. Considering that many buses and light buses in operation were already aging and that Hong Kong was a relatively small market for the major suppliers, a Member suggested that the supply of Euro VI vehicle models from other overseas suppliers could be explored. Mr Mok advised that the Government was offering an ex-gratia payment ranging from 27% to 33% of the average taxable values of new vehicles to phase out by end 2019 all pre-Euro IV diesel commercial vehicles (including the non-franchised buses and light buses), which could effectively address the concern on such old diesel vehicles causing roadside air pollution. He shared that the public light bus trade had reflected in recent years a lack of competition on the supply of light buses on the local market. EPD had therefore facilitated meetings between vehicle suppliers from Europe and the public light bus trade with the aim of bringing in more suitable light buses to the local market, which could help bring forward the schedule for implementing the tightened emission standard for light buses to improve roadside air quality. There were initial signs that the public light bus trade had become more receptive to light buses from other light bus suppliers.

12. In reply to the Chairman's enquiry on the supply of light bus models from the Mainland, Mr W C Mok advised that Hong Kong welcome vehicle suppliers putting on the local market vehicles compliant with the relevant statutory regulations. However, the small size of the local light bus fleet and the adoption of right-hand drive for local vehicles versus the left-hand drive for Mainland vehicles might dampen the interest of Mainland vehicle suppliers to provide Hong Kong with light buses. A Member added that while the Mainland supplied light bus models, they were of a design life cycle of only 4 to 6 years, while vehicles generally running in Hong Kong had a design life cycle of 15 years or above. As the local market was small, he believed that it would be very costly for overseas suppliers to come up with purpose-built models to cater for the requirements and needs of the Hong Kong market.

13. With the understanding that most light buses came from a sole supplier in Japan, a Member strongly suggested that the Government should consider setting a deadline for the major supplier of light buses to produce Euro VI models. Mr W C Mok explained that it was not feasible to set a deadline for the major supplier to

provide Euro VI light bus models because there were only around 6,000 light buses in Hong Kong and the number to be replaced each year was only around 400 if they all worked to 15 years, which was a small volume to have substantive effect on vehicle manufacturers. He however believed that the effort to facilitate the public light bus trade to talk with vehicle suppliers other than the current players could help because the calculation of the market share took into account the sales record of vehicle suppliers in the past year or so. Should there be newcomers, who might take up a substantial market share, the existing supplier could come under pressure to speed up their preparation for producing cleaner light buses. With the support of another Member, the Member reiterated his view that a deadline should be set for the major supplier of light buses to produce Euro VI models. He considered that the failure of the major supplier to meet with this deadline may give way to the promotion of electric vehicles.

14. A Member sought information on the benefits that could be brought about by the proposals in terms of the Air Quality Health Index (AQHI). Considering that the emission standard for diesel private cars would be tightened to LEV III on 1 July 2017, she wondered if there would be a surge in the first registration of diesel private cars before the commencement date of the new standard. Mr W C Mok pointed out that the emission standard would not be tightened until the proposed commencement dates. By then, it would only affect vehicles that were first-registered. He thus did not expect that the proposed emission standard tightening would bring substantial improvement to air quality in a short term. He also informed Members that the Government had undertaken in recent years a host of measures to improve air quality, particularly the roadside air quality, with a view to broadly attaining the current Air Quality Objectives (AQOs) by 2020. As a result, there had been a 20% reduction in the roadside concentration of nitrogen dioxide (NO₂) from 2011 to 2015. Mr Mok expected that the proposed tightening of the emission standards for newly registered diesel private cars to LEV III would stave off the recent substantial growth of the diesel private car fleet.

15. The Chairman concluded that Members were supportive of the proposal to tightening emission standards for newly registered motor vehicles and thanked the representatives of EPD for their presentation.

[The presentation team left the meeting at this juncture.]

Internal Discussion Session

16. In reply to a Member's enquiry regarding the offshore wind farms projects as discussed in the last ACE meeting, the Chairman advised that an update had been provided by the Environment Bureau (ENB) in the post-meeting note under paragraph 28 of the minutes of the 217th ACE meeting.

17. A Member considered that enforcement measures against smoky vehicles should be stepped up when the emission standards were tightened. Mrs Alice Cheung advised that EPD would work to strengthen the vehicle emission regime to tie in with the timetable for tightening of emission standards.

Item 4 : Report of the 134th and 135th Environmental Impact Assessment Subcommittee Meetings

(ACE Papers 16/2016 and 17/2016)

[Mr K F Tang, Mr Edward Lam, Mr Wong Chuen-fai, Mr Richard Wong and Mr Tse Kiu-chung joined the meeting at this juncture.]

18. The Chairperson of the Environmental Impact Assessment Subcommittee (EIASC) reported that ACE Papers 16/2016 and 17/2016 had summarized the discussion and recommendations of the EIASC meetings on 17 and 24 October 2016 on three EIA reports, namely "Sha Tin Cavern Sewage Treatment Works", "Kai Tak Multi-purpose Sports Complex" and "Hung Shui Kiu New Development Area".

19. Regarding the recommendations for the EIA report on "Kai Tak Multi-purpose Sports Complex", a Member considered that the Building Information Model (BIM) had a broader application than just minimizing, recovering and recycling waste. The EIASC Chairperson suggested and Members agreed that a standalone recommendation should be included to require the project proponent to explore the use of BIM as a tool in the building, design and construction stage of the project.

20. Having regard to the findings of the EIA reports, EIASC recommended the full Council to endorse the EIA report on "Sha Tin Cavern Sewage Treatment Works" with 5 conditions and 5 recommendations, the EIA report on "Kai Tak Multi-purpose Sports Complex" with 4 conditions and 6 recommendations, and the EIA report on "Hung Shui Kiu New Development Area" with 2 conditions and 10

recommendations. With no further comments from Members, the Chairman concluded that the meeting agreed to recommend the Director of Environmental Protection (DEP) to endorse the EIA reports with the conditions and recommendations as set out in paragraph 14 of the ACE Paper 16/2016 and paragraph 13 of the ACE Paper 17/2016.

Item 5 : Any other business

Wang Chau Development

21. The Chairman briefed Members that an email from the Honorable Chu Hoi-dick was received on 31 October 2016 regarding the claim that the Public Housing Site and Yuen Long Industrial Estate Extension (YLIEE) at Wang Chau should be classified as a designated project under the Environmental Impact Assessment Ordinance (EIAO). EPD representatives had been invited to the meeting to brief Members on the issue.

22. A Member declared that he was the Chairman of the Subsidized Housing Committee of the Hong Kong Housing Authority (HA). While the Wang Chau Housing Project had yet to reach the Subsidized Housing Committee, he informed Members that the project would inevitably include public housing developments. A Member also declared that he was collaborating with the HA on a research project in Yuen Long which was outside the project boundary of Wang Chau. The meeting agreed that both Members could stay on and participate in the discussion.

23. Mr K F Tang informed Members that ENB had made a reply to the Honorable Chu Hoi-dick on 9 November 2016. With the aid of a powerpoint, Mr Tang briefed Members on relevant provisions of the EIAO, including Schedules 2 and 3 as well as Section 4(4) of the EIAO, and their applicability to the Wang Chau development. While the original plan was to develop Wang Chau Public Housing (PH) Phases 1, 2 and 3 as well as the YLIEE as one development project, whose engineering feasibility study should fall under Schedule 3 of EIAO, the plan had been revised by the project proponent in early 2014 such that only the development of Wang Chau PH Phase 1 would proceed with a definite implementation programme. In view that PH development and YLIEE were projects of different nature and purposes, there was no requirement that the project proponents would need to conduct a combined engineering feasibility study.

24. Mr K F Tang advised that, given the total study area of PH Phases 1, 2 and 3 development was less than 20 hectares and involved a total population of less than 100,000, the engineering feasibility study of the PH development project was not a designated project under Schedule 3 of the EIAO. However, the YLIEE was a designated project under Schedule 2 which would require a free-standing EIA and an Environmental Permit (EP) before its construction and operation. Mr Tang explained that in the event that the Wang Chau development involved any other designated projects as defined under the EIAO, the project proponent would be required to carry out the relevant statutory procedures as set out in the EIAO.

[A Member left the meeting at this juncture.]

25. In response to the Chairman's question, Mr K F Tang explained that for projects fell under the purview of different bureaux or departments, in particular if they were of different nature and purposes, they would generally be considered as separate projects.

26. Mr K F Tang added that if the Director was satisfied that the purpose behind the separation of projects was to avoid the EIA process, the Director might request these projects to follow the statutory EIA process.

(i) Yuen Long Industrial Estate Extension

27. A Member enquired whether the planning and construction of Wang Chau PH Phases 1, 2 and 3 development would be taken into account in deciding whether YLIEE, as a designated project, was environmentally acceptable. Mr K F Tang explained that the project proponent of the YLIEE would be required to consider all relevant factors including environmental impacts and mitigation measures for nearby sensitive receivers including the Wang Chau PH Phase 1, 2 and 3 development.

28. Mr K F Tang elaborated that during the statutory EIA process of the YLIEE project, the project proponent would be required to assess the relevant environmental impact, such as the existing brownfield operations and housing development in the vicinity of the project site.

29. A Member considered that the development of YLIEE in future was likely to be compromised with the existence of PH Phase 1 development. He opined that if the PH development was to be assessed together with YLIEE under one

study, it should strike a better balance between different development needs. He said the proposal to develop Wang Chau in phases might result in negative impact on the feasibility of the YLIEE development in future.

30. Mr K F Tang acknowledged that consideration would have to be given to industrial and residential interface (I/RI) in future PH Phases 2 and 3 development and YLIEE owing to the close proximity of industrial developments and residential areas. He reiterated that while EPD respected the discretion of the project proponent in proposing the phased PH development plan, EPD would ensure that the project proponent would continue to fully comply with the EIAO, including the conducting of EIA study if the project was qualified as a designated project under Schedule 3 EIAO.

31. A Member echoed with Members' views that the change of strategy by the project proponent might result in constraints in future extension of the industrial estate. He requested for assurance from EPD that there would be no omission in any parts of the EIAs for the planned developments in Wang Chau even with phased implementation of the developments.

32. Mr K F Tang explained that the project proponent of the YLIEE had to comply with the statutory requirements of the EIAO by considering all relevant environmental impacts. He acknowledged that the implementation of Wang Chau PH development might affect the proposed extension of the industrial estate in future. For instance, buffer zones or other measures would have to be considered to address residential/industrial interface where appropriate.

33. A Member enquired whether the requirement to follow EIA process would be exempted for YLIEE due to the exemption status of the existing Yuen Long Industrial Estate which had been in operation before the EIAO came into operation. Mr K F Tang clarified that the YLIEE would be subject to the statutory EIA process under the EIAO.

34. The Chairman considered that an EIA would be conducted for the YLIEE in future. Therefore, the existing and potential impact on the environment had to be considered. He noted EPD's advice that the YLIEE in future would need to go through the EIA process as required under the EIAO.

(ii) Hung Shui Kiu New Development Area vs Wang Chau Development

35. A Member considered that the developments in relation to Hung Shui Kiu New Development Area (HSK NDA) and Wang Chau were of similar nature, even though the scale might be different. He questioned why the project on HSK NDA was treated as a whole whereas Wang Chau project was treated differently.

36. Mr K F Tang explained that for HSK NDA, it covered a very large area involving different land uses, developments and supporting infrastructures, that were interrelated, it would be necessary for the project proponent to conduct an engineering feasibility study for the whole area to ensure adequate infrastructures could be provided to support the land uses and developments. As regards Wang Chau development, the project proponent decided to develop the PH Phase 1 development and there was no definite programme for implementing the PH Phases 2 and 3 development. The YLIEE, if pursued, would require a Schedule 2 EIA under which the environmental issues would need to be addressed, with the constraints of the existing, committed and planned developments in its vicinity.

37. A Member asked for the background information that explained the considerations behind the phased development plan. Mr K F Tang replied that EPD did not have such information.

38. A Member considered that it might not be appropriate to draw comparison between the projects of HSK NDA and Wang Chau given their difference in scale. He cited many examples whereby public housing projects were developed in phases, and generally the considerations were technical limitations, infrastructural support, and impact on environment and existing community.

(iii) Allegation of avoiding the EIA process not justified

39. A Member believed that the Government had apparently planned at the beginning to implement the housing development project at Wan Chau and the YLIEE as a whole in 2012, which explained the approach of “3+1”. Subsequently, the project proponent had revised the proposals to develop the project in phases. As such, the implementation of PH Phase 1 development was beyond the scope regulated by EIAO. Given that this was a revision made by the project proponent based on a change of its project implementation strategy, she did not see any legal grounds to invoke Section 4(4) of EIAO and required the project proponent to conduct an EIA for the PH Phase 1 development.

40. A Member concurred and said whether the Wang Chau project fell within the purview of the EIAO depended on how the project was defined by the project proponent. Additionally, he considered the definition to conduct EIA depending on whether the project was “involving a total population of more than 100,000” rather vague as it was uncertain whether the affected population in the vicinity of the project site should be included.

41. Mr K F Tang clarified that only project each involving a total population of more than 100,000 that resided or was being affected within the project area would be considered as a designated project and had to go through the EIA process.

42. A Member was concerned about the negative public perception aroused in the phased development plan. He opined that there should be merits for planning all the proposed developments in Wang Chau under one project, adopting the original “3+1” approach proposed earlier by the Government. While Wang Chau development might involve more than one project proponent; all proponents were part of the Government.

43. Under the current phased development plan, a Member considered that the PH Phase 1 development was not a designated project and the project proponent had indeed acted in accordance with the law. Nonetheless, the latest approach by the Government might create public suspicion that the Government was seeking to avoid the EIA process by developing the project in phases.

44. Mr K F Tang pointed out the Wang Chau PH development would not be a designated project under Schedule 2 of the EIAO irrespective of the decision to implement initially just the PH Phase 1 development. As such, there was no basis for alleging that development of Wang Chau PH Phase 1 was to avoid the EIA process would.

45. A Member stressed that whether Wang Chau PH was developed in phases or as a whole would make no difference in terms of the need to comply with EIAO and accordingly the conduct of an EIA if necessary. Additionally, he refuted the allegation of “government-business-rural-triad cooperation”. He explained that southern part of the site was an easier option to kick-start the Wang Chau project, given the land involved in PH Phase 1 development was mainly Government land, whereas land involved in the proposed development of PH Phases 2 and 3 was on private land. He opined the current approach of not conducting an EIA was in compliance with the statutory requirements under the EIAO.

46. A Member agreed that at present the phased development plan did not qualify as a designated project, hence there was no need to go through the EIA process. However, he said the implementation of the PH Phase 1 development first might unnecessarily create limitations on the long-term planning of the project, such as the transport planning for Wang Chau.

47. A Member asked if there were any cases in the past whereby projects developed in phases had triggered Section 4(4) of EIAO. Mr K F Tang said that Government departments as the project proponents in large scale projects would consult EPD whether to conduct the EIA. There were cases that the relevant bureau and departments were advised that Section 4(4) of EIAO might be triggered.

48. A Member agreed that the Wang Chau PH development was legitimate on both legal and political grounds, since it was in compliance with the statutory requirements of EIAO. However, he was concerned about the separate development of YLIEE and its relevant environmental impact on the housing development in the vicinity.

49. A Member understood that public housing projects were usually developed in phases. However, he stressed that YLIEE would be a matter of public concern as it showed the lack of long-term planning for Wang Chau as a whole.

50. A Member opined that Members' concerns were mainly about the public suspicion that the Wang Chau project was deliberately split into separate projects in order to avoid the EIA process. As such, she suggested conveying a message to the public that despite an EIA was not required for the Phase 1 PH development at the current stage; the project proponent would still be required to follow statutory requirements of EIAO when implementing YLIEE in future.

51. Mr Donald Tong advised that one the key public concerns was whether the EPD had performed its duty in ensuring the EIAO was complied with. He emphasized that the scale of the HSK NDA project and Wang Chau development project was different. Whereas the total development area for the former was 714 hectares involving an estimated total population of 215,000, the total area for the latter which included PH Phases 1, 2 and 3 development as a whole did not exceed 20 hectares with a total estimated population of 100,000. He added that EPD had examined this project having regard to its statutory duty under the EIAO and would continue to perform its gatekeeping role for the public in ensuring the legislation

was complied with.

52. The Chairman concluded that the EPD had performed its duties and the arrangement proposed by the project proponent in the case of Wang Chau development had not contravened the EIAO. He asked the secretariat to accordingly prepare a brief reply to the Honorable Chu Hoi-dick setting out ACE's conclusions.

[Post meeting notes: A reply setting out ACE's conclusions regarding Wang Chau development was sent to the Honorable Chu Hoi-dick by the ACE secretariat on 17 November 2016.]

Item 6 : Date of next meeting

53. The next ACE meeting was scheduled on 12 December 2016 (Monday). Members would be advised on the agenda in due course.

**ACE Secretariat
December 2016**