

Pilot Green Transport Fund

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To help improve roadside air quality and reduce carbon emissions, thereby helping to avert global climate change, the Government has set up a \$300 million Pilot Green Transport Fund (the Fund) to support the testing of green and innovative technologies applicable to the public transport sector and goods vehicles. This is because the transport sector (including road and marine transport) is the second largest air pollution source in Hong Kong, accounting for about 37% of the local respirable suspended particulates and nitrogen oxides each and 6% of sulphur dioxide. Motor vehicle exhaust is also the main cause of roadside air pollution. In respect of greenhouse gases, the share of the transport sector is about 18% of local emissions.

Who can apply for the Fund?

An applicant must be an existing transport operator based in Hong Kong (including cross-boundary transport) who:

1. operates ferries, taxis, public light buses, vehicles of charitable / non-profit making organizations providing services to their clients, franchised buses and non-franchised public buses, or goods vehicles (including special purpose vehicles);
2. has been in the relevant transport service for more than one year;
3. will likely remain in the service after the trial to bear fruit;
4. has the potential to put the new technology under test into wider use in its own operation upon successful trial;
5. is willing to share the findings of the test with other operators; and

6. is not receiving or has not received funding from other Government sources, public bodies or charitable organizations for the same purpose of the application, except the prevailing incentive scheme on replacement of Euro II commercial vehicles and the tax incentive schemes to encourage the use of environment-friendly commercial vehicles.

What technologies are supported by the Fund?

The Fund supports a green and innovative technology which :

1. works on sound scientific principles;
2. outperforms its conventional counterpart by emitting significantly less air pollutant or greenhouse gas, or demonstrating much better fuel economy. However, regular upgrading of emission performance of conventional fossil fuel vehicles in accordance with the prevailing international standards (e.g. European standards) should not generally be qualified for application;
3. has not been commonly or widely used for day-to-day operation in the relevant transport trade locally;
4. is affordable to the transport trades in respect of capital and operation costs;
5. is likely able to cope with the local operating conditions such as hilly terrain, hot and humid climate, intensity of operation, etc.;
6. does not violate any statutory requirements such as roadworthiness, fire safety, etc. and can satisfy the approval requirements of the relevant regulatory authorities; and
7. is not for research purpose.

The products to be tested may involve:

1. alternative-fueled vehicles such as hybrid vehicles, plug-in hybrid vehicles, electric vehicles, etc.;
2. after-treatment emission reduction devices such as diesel particulate filters, selective catalytic reduction devices, exhaust gas recirculation systems, wet scrubbers, etc.;
3. fuel saving devices; or
4. conversion of in-use conventional vehicles to alternative-fueled vehicles.

What is the subsidy for the trial under the Fund?

The Fund only subsidizes the capital cost of the hardware (including installation cost if applicable) of the green and innovative technology product proposed for trial but not the associated recurrent expenditure. Please refer to the Table for the subsidy level of various technologies for trial.

An applicant is allowed to submit more than one application to try different technologies (e.g. a public light bus operator to try both hybrid vehicles and electric vehicles) or to test products from different suppliers for the same technology under the same application to compare performance subject to the caps in the Table. A transport operator is, however, subject to an upper limit of \$12 million in total subsidy.

Green and innovative technology product	Subsidy level	Subsidy cap
<p>Alternative-fueled vehicles</p> <p>(i) Subsidy per vehicle</p> <p>(ii) Related support systems</p>	<p>(i) Price premium between the alternative-fueled vehicle and the conventional vehicle or 50% of the cost of the alternative-fueled vehicle, whichever is higher</p> <p>(ii) 50% of setting up cost</p>	<p>\$3 million per vehicle and \$9 million per application</p>
<p>Conventional vehicles</p> <p>(i) After-treatment emission reduction devices;</p> <p>(ii) Fuel saving devices; or</p> <p>(iii) Conversion of in-use conventional vehicles to alternative-fueled vehicles</p>	<p>75% of the cost of the device including installation or the vehicle conversion cost</p>	<p>\$1.5 million per device or vehicle conversion, and \$9 million per application</p>
<p>Ferries</p> <p>Engine retrofit or testing of alternative-fueled engine</p>	<p>75% of the device or engine including installation</p>	<p>\$3 million per engine or device, and \$9 million per application</p>

There will be limits on the number of applications from a transport trade on any single type of green and innovative technology as well as on the number of units of such green and innovative technology product per application.

As technology continues to develop, green and innovative technology products other than the above categories may also be available for trial by the transport trades. Such applications will be considered on a case-by-case basis. Related subsidy levels and caps are the same as above.

How can I apply for the Fund?

For more information and application details of the Fund, please visit EPD's website and refer to the *Guide to Application* which can be downloaded from the website or obtained by fax, or contact us.

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