

19th June 2017Legislative Complex
1 Legislative Council Road
Central, Hong Kong

Dear Members of Panel on Environmental Affairs,

Re: Hong Kong's Climate Action Plan 2030+**Background**

WWF- Hong Kong is pleased to submit this paper to Panel Members. We welcome Government's Climate Action Plan 2030+ which makes the important commitment to reduce Hong Kong's absolute emissions by between 26% and 36% by 2030 from 2005 levels, and carbon intensity by 65%-70%. The plan also mentions the introduction of Feed-in Tariffs and Renewable Energy Certificates. This latter point was expanded upon in the Scheme of Control Agreements signed by Government and the power companies on 25th April 2017. These Agreements are important tools in delivering low carbon electricity and promoting energy efficiency.

We have been advocating for an incentive programme for renewables for many years and so welcome the announced introduction of the Feed-in Tariff. There are still many details to be worked out and we think it important that the Panel support the development of strong measures on both renewables and energy efficiency. At present the Government has set targets for reduction between 2005 and 2030, but performance to date has not been on course. Emissions between 2005 and 2014 have risen almost [10%](#) and it is important Government takes strong action now, to bring us on track.

WWF-Hong Kong's policy ask

1. Hong Kong Government should set a target that by 2030 10% of Hong Kong's electricity demand be supplied from domestically produced

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renewable energy (RE). Policy should encourage small scale public and business participation in generation, as well as for large-scale systems.

2. The Feed-in tariff rate needs to be set so that people and businesses investing in the deployment of green energy are adequately rewarded. This means a pay-back period of 8-10 years for the small household investor. We calculate an introductory rate of \$4/kWh for small-scale rooftop solar project would be sufficient. Power companies should pay renewable generators for a fixed term of 20 years. Larger solar projects, new-build, or open land projects would need a lower level of subsidy. We recommend that the methodology used to calculate the feed-in tariffs be transparent. The feed-in tariff rates should be regularly reviewed to ensure that they reflect current installation costs. We expect these rates to drop within a few years to below retail price.
3. The Government should make sure support is available not just to home owners and private businesses but also to publicly owned sites. Locations like schools, Housing Authority owned homes and Water Supplies Department reservoirs are potentially important locations for solar PV. The policy should not constrain the amount of power these locations produce and export to the grid. Feed-in Tariffs should be offered for technologies other than solar PV including energy from wind and other RE sources.
4. Utilities should connect small renewable systems to the grid for free, and provide free technical support. It is important to keep the application process simple especially for domestic and small business systems smaller than 20kW. Ideally approval for a grid connection should be within a month of a valid application being received. In other countries small systems are exempt from building and planning regulations as long as they are installed by approved installers who check they conform to the rules.
5. It is important to ensure that renewable energy can be installed on different sorts of buildings including office and residential towers. Government should provide generous grants for the installation of the first 120 installations, across a variety of different building types. This will help ensure that initial teething problems like writing multi-party commercial contracts, obtaining permits, overcoming installation and connection issues can be overcome

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6. Buildings consume nearly 90% of city electricity use in Hong Kong and there are great opportunities to improve the energy efficiency of new and existing buildings. It is essential these are exploited if Hong Kong is to meet its climate change commitments. The SCA introduces a new mechanism to fund energy efficiency retro-fitting and retro-commissioning. We support this new mechanism and think it should be generously funded and made available as a grant. These grants should be deployed so highly cost-effective energy efficiency opportunities are taken up. At the same time Government needs to review and tighten existing regulatory measures – like building and appliance standards – to enhance energy efficiency to an announced timetable.

Yours sincerely,



Gavin Edwards

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