

**Buildings Energy Efficiency Funding Schemes
Funding Limits for Applications involving More Than One Building**

Purpose

This paper proposes changes to the funding limits of the Buildings Energy Efficiency Funding Schemes for applications involving more than one building, in view of the decision of the Environment and Conservation Fund (ECF) Committee that the funding limit for each building under such applications should be the same as that of applications involving only a single building.

Background

2. The ECF Committee and the Energy Conservation Projects Vetting Subcommittee (Vetting Subcommittee) considered the funding limits of energy-cum-carbon audit projects (ECA) and energy efficiency projects (EEP) in December 2008 before the launching of the schemes. The two committees agreed that -

- (a) funds will be granted on a matching basis;
- (b) for ECA, for applications involving a single building, a limit of 50% of the approved total actual expenditure spent for the audit and subsequent reporting will be reimbursed subject to a maximum of \$150,000 per application. For applications involving more than one building, a limit of 50% of the approved total actual expenditure spent for the audit and subsequent reporting will be reimbursed without a maximum cap;
- (c) for EEP, for applications involving a single building, a limit of 50% of the approved total actual expenditure spent for the EEP will be reimbursed subject to a maximum of \$500,000 per application. For applications involving more than one building,

a limit of 50% of the approved total actual expenditure spent for the energy efficiency projects will be reimbursed without a maximum cap.

3. The above funding limits have been put in place since the launch of the funding schemes.

Recent Deliberation

4. The ECF Committee considered three EEP funding applications of over \$2 million at its meeting on 10 December 2009. Under the three applications, all of which involve more than one building, the funding sought for each building exceeded \$500,000. The Committee considered that for parity sake, the level of funding approved for such applications (involving more than one building) should be in line with the principle of funding limit for applications involving a single building (i.e. \$500,000). The Committee decided that the funding granted for these three applications should be \$500,000 times the number of buildings covered by each application.

Changing of Funding Limits

5. We consider that ECF Committee's decision should be reflected in the Guide to Application so that applicants could plan their project scope on this basis. In revising the funding limits in the Guide to Application to embody ECF Committee's decision, Vetting Subcommittee's views are sought on the following recommendations -

- (a) apart from EEP, the same funding principle should also be applied to ECA;
- (b) for applications involving more than one building, the applications may cover a number of **ancillary facilities** (e.g. carpark, clubhouse, playground). These facilities are neither residential, commercial nor industrial buildings themselves. We may have to consider whether a funding limit should be set for such ancillary facilities for clarity sake. Our recommendation is that –

- (i) for those ancillary facilities that **in itself can be regarded as a residential/ commercial/ industrial building** (e.g. a shopping arcade in a residential housing estate), it should be counted as an individual building under the application. For example, for an EEP application covering 4 residential buildings and a shopping arcade, the funding limit should be 5 times \$500,000;
- (ii) for those ancillary facilities that **physically form part of the building** which is eligible for funding under ECA/EEP, for example, a clubhouse located within a residential building, the funding limit for that residential building should also cover the clubhouse;
- (iii) for those ancillary facilities that **physically do not form part of the buildings eligible for funding under ECA/EEP** (e.g. standalone carpark, playground), we propose that a funding limit of \$500,000 for EEP and \$150,000 for ECA be imposed on the total amount of funding granted for all these facilities under each application.

The above seeks to provide some broad-brush funding principles on applications involving both buildings and ancillary facilities, which would serve as useful references to both applicants and the Secretariat in processing applications. However, in view of the complicated built environment in Hong Kong, we may seek further advice from the Vetting Subcommittee as regards funding limit, should there be cases that fall outside the above scopes.

Way Forward

6. Members are invited to comment on the recommended changes to the ECA and EEP funding limits as outlined in paragraph 5 above. Subject to Members' endorsement, we will reflect these changes in the Guide to Application.

Environment Bureau
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