

**of the 6th Meeting of the
Energy Conservation Projects Vetting Subcommittee
held on 22 August 2014 at 2:30 p.m.**

Present

Mr Edward LEUNG	(Chairman)
Mr MAN Mo-leung	(Vice-chairman)
Mr Alfred LEE	
Dr Daniel TSANG	
Mr WONG Kin-wai	
Mrs Dorothy MA	ENB
Dr Samuel CHUI	EPD

In Attendance

Miss Francesca SIN	EPD	(Secretary)
Mr Andy HO	ENB	
Ms Anita SW TSUI	EPD	
Mr Steve TSOI	EPD	
Mr Simon KAM	EPD	
Mr Jordan LEUNG	EPD	

Absent with Apologies

Ms Agnes CHAN
Dr CHAN Fuk-cheung
Dr Cynthia LAM
Mr Kendrew LEUNG
Mr Douglas WOO
Mr YANG Wing-kit

Opening Remarks

The Chairman welcomed all Members attending the sixth meeting of the Energy Conservation Projects Vetting Subcommittee (ECPVSC). The Chairman told the meeting that Ms Agnes CHAN, Dr CHAN Fuk-cheung, Dr Cynthia LAM, Mr Kendrew LEUNG, Mr Douglas WOO and Mr YANG Wing-kit had sent in their apologies for being absent.

Agenda Item I: Confirmation of Minutes of the Meeting on 27 May 2014

2. The draft minutes of the previous meeting held on 27 May 2014 were circulated to Members on 14 July 2014. The meeting confirmed the draft minutes without amendment.

Agenda Item II: Matters Arising

ECP0316 – CarbonSmart 200 (ECPVSC Paper 8/2014-15)

3. Dr Samuel CHUI recapitulated that at the previous ECPVSC meeting held on 27 May 2014, Members examined the requests of the recipient organization, the Hong Kong Productivity Council (HKPC) for (a) redeploying an amount of \$2.904 million of the project's anticipated surplus fund for use of extended project activities (viz. to increase the targeted number of beneficiary companies under Carbon Audit Pilot Fund (CAPF) from the original 200 to 360, and for the continued provision of supporting services such as operating the hotline for the project, website hosting, publicity for CAPF, extended auditing, etc.), and extension of the project period by 12 months up to 14 September 2015; and (b) redeploying a further amount of \$301,750 from the project's anticipated surplus fund for organizing five capability enhancement workshops and three match-making sessions during the extended project period. After deliberations, Members decided to recommend the requests to the Environmental and Conservation Fund (ECF) Committee for consideration.

4. Dr Samuel CHUI informed Members that the ECF Committee subsequently examined HKPC's requests at its meeting held on 26 June 2014, and agreed that the proposed extension of the project period and redeployment of surplus fund for extended project activities should be given in-principle approval. However, the ECF Committee suggested that it might be more effective to consider using the surplus fund to enable those existing 210 beneficiary companies to achieve further enhancements and sustain their efforts in carbon reduction. The ECF Committee considered that HKPC should take into account their views above, and submit a revised variation proposal for ECPVSC's consideration and endorsement.

5. Dr Samuel CHUI said that in response to the ECF Committee's suggestions, HKPC proposed to make use of the surplus fund to enable both existing beneficiary companies and new applicants to carry out carbon audits during the one-year extension period. According to HKPC, only 100 out of the 210 existing beneficiary companies had the potential to undertake repeated audit during the extension period. HKPC explained that the remaining 110 companies had just finished or were finishing their first carbon audit cycle recently, such that it would be more meaningful for them to implement their carbon reduction measures first before conducting another carbon audit. Hence, under HKPC's proposal, HKPC would invite these 100 companies to apply for funding under CAPF for a second carbon audit, and to process 80 to 100 new applications already received or to be received. If HKPC's revised variation proposal would be supported by Members, the total budget of the project would be adjusted from \$9,997,250 to \$9,984,069.05.

6. ^{Note}

7. After deliberation, Members endorsed HKPC's revised variation proposal with the total budget of the project adjusted to \$9,984,069.05.

Agenda Item III: Energy Conservation Projects for Non-government Organizations Scheme

(1) Energy Conservation Education Programme (ECPVSC Paper 9/2014-15)

8. Mr Steve TSOI briefed Members about the funding application for the energy conservation education project “BEEPS (Building Environmental and Energywise for Professionals and SMEs) proposed by the New Territories SME Association (NTSMEA) (ECP0773).

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13. Ms FONG Kwok-shan and Ms YIM Lai-yung, representatives of NTSMEA, were invited to join the meeting at this juncture.

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22. Representatives of NTSMEA were discharged from the meeting at this juncture.

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27. After deliberation, Members agreed that NTSMEA should be requested to provide Members with supplementary information including (a) its membership list; (b) the arrangements and criteria for selecting 90 companies to participate in the project activities; (c) information on funding support obtained by NTSMEA from other government or charitable funds and the projects and activities which the organization had carried out in recent years; and (d) any other relevant information which NTSMEA would provide to address Members' questions raised at the meeting.

28. Mr Steve TSOI further briefed Members about the proposed variations and/or project completion for four education projects under the ECPNGO scheme set out in ECPVSC Paper 9/2014-15 and its Annexes 2 to 5.

- (a) ECP0196 – “Green Footprint” - Carbon Reduction Education & Implementation Project

The project which commenced in January 2012 was completed in June 2013. As the project was completed satisfactorily, the Secretariat recommended overall total disbursement at \$385,885.8 for the project. Taking into account the previous disbursements of \$446,400 issued, The Boys' and Girls' Clubs Association of Hong Kong, the recipient organization, would be required to make a refund of \$60,521.09 to the ECF.

- (b) ECP0201 – Lohas Kowloon • The Greeneration - Low Carbon Consumption Campaign

The project which commenced in November 2011 was completed in January 2013. At its meeting held on 23 January 2013, ECPVSC approved the recipient organization's request to defer the project completion by one month, and the approved budget was revised to \$1,778,115. Considering the satisfactory completion of the project, the Secretariat recommended overall total disbursement at \$1,353,369.46 for the project. Taking into account the previous disbursements of \$1,599,250 issued, the Kowloon Federation of Associations, the recipient organization, would be required to refund an amount of \$245,880.54 to the ECF.

- (c) ECP0341 – Shine in Kwai Tsing for Environmental Power

The project which commenced in November 2012 was completed in July 2013. The project was completed four months ahead of the scheduled completion date. Considering that the objective of the project was achieved with 1,385 families reached out to, the Secretariat recommended that the project completion should be accepted with a total expenditure at \$190,611.1. Taking into account the previous disbursements of \$290,345 issued, The Youth Power of Kwai Tsing, the recipient organization, would be required to make a refund of \$99,733.9 to the ECF.

- (d) ECP0470 – “Never too late” Elderly Energy Conservation Education Programme

The project which commenced in May 2013 was completed in April 2014. As the project was completed satisfactorily, the Secretariat recommended overall total disbursement at \$535,723.6 for the project. Taking into account the previous disbursements of \$549,810 issued, the Hong Kong Women Development Association Limited, the recipient organization, would be required to make a refund of \$14,086.4 to the ECF.

29. After deliberation, Members approved the requested project variations for ECP0470, and endorsed the project completion for ECP0196, ECP0201, ECP0341 and ECP0470.

(2) Applications for Energy-cum-carbon Audit (ECA) and Energy Improvement Works (EIW) (ECPVSC Paper 10/2014-15)

30. The Secretary briefed the meeting about ECPVSC Paper 10/2014-15 which summarized 67 applications for ECA and EIW projects. The Secretary also drew Members' attention to the withdrawal of six EIW/ECA applications.

31. Note

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34. After deliberation, Members approved 64 applications and rejected three applications as proposed in ECPVSC Paper 10/2014-15.

(3) Variations to Approved Projects for EIW and ECA (ECPVSC Paper 11/2014-15)

35. The Secretary briefed the meeting about ECPVSC Paper 11/2014-15 which summarized the variation requests of the recipient organizations of one ECA and 16 EIW projects. The Secretary recapitulated that as agreed at the ECPVSC meeting held on 23 September 2013, requests for additional funding for project variations would not be accepted, whereas project variation requests which did not require additional funding from the ECF would be considered on a case-by-case basis. Since these 17 projects did not require additional funding from the ECF and the recipient organizations had provided reasonable explanations for the proposed variations, Members were invited to consider approving these variation requests.

36. After deliberation, Members approved the variation requests as proposed in ECPVSC Paper 11/2014-15.

(4) Progress of the ECPNGO Scheme (ECPVSC Paper 12/2014-15)

37. The Secretary briefed Members about the progress of the ECPNGO scheme as at 8 August 2014. In sum, a total of 826 applications were received including 44 education programmes, 50 ECA and 732 EIW projects. Total funding approved amounted to \$175.11 million for a total of 676 projects, including 32 education

programmes, 45 ECA and 599 EIW projects. It was estimated that when all of the approved projects were completed, the savings in electricity and reduction in carbon dioxide emissions per annum would be 16.74 million kWh and 11,722 tonnes respectively.

Agenda Item IV: Building Energy Efficiency Funding Schemes (BEEFS)

Variations to Approved Projects under BEEFS (ECPVSC Paper 13/2014-15)

38. Representatives of the Electrical and Mechanical Services Trading Fund (EMSTF), viz. Mr Raymond TONG and Mr Ming CHAN joined the meeting at this juncture.

39. Mr Raymond TONG of EMSTF briefed Members about the variation requests for projects under BEEFS set out in ECPVSC Paper 13/2014-15, and sought Members' endorsement for:

- (a) extending the project completion date of nine approved energy efficiency project (EEP) applications, viz. EEP0876, EEP0910, EEP0912, EEP0914, EEP0916, EEP0918, EEP0920, EEP0924 and EEP0957;
- (b) approving two EEP applications to top up the price differences for their selected contractors who were not the lowest bidders, viz. EEP1262 and EEP1386; and
- (c) terminating seven approved ECA applications and two approved EEP projects due to unsatisfactory progress or commencement of the project before the approval was given by ECPVSC, viz. ECA0215, ECA0216, ECA0219, ECA0223, ECA0224, ECA0228, ECA0230, EEP0302 and EEP0946.

Mr TONG also informed Members that six approved EEP applications had been withdrawn by the applicants, viz. EEP0035, EEP0075, EEP0309, EEP0310, EEP0317 and EEP1227.

40. Note

41. After deliberation, Members approved the variation proposals set out in ECPVSC Paper 13/2014-15.

42. Representatives of EMSTF were discharged from the meeting at this juncture.

Agenda Item V: Any Other Business

43. Members had no other business to raise.

Agenda Item VI: Date of Next Meeting

44. The Secretariat said that Members would be informed of the details of the next meeting in due course.

45. There being no other business, the meeting ended at 4:40 p.m.

Secretariat, ECF Energy Conservation Projects Vetting Sub-committee April 2015

Note:

The paragraph will not be included in the version of notes to be uploaded to the webpage of ECFC according to the standing practice of not disclosing the detailed reasons for supporting or rejecting an application. The ECFC webpage contains a general disclaimer that "Reasons for supporting/rejecting an application had been made known to the project proponents concerned, and the public could ask the project proponents direct for such information."