

**Draft Minutes of the First Meeting of the  
Energy Conservation Projects Vetting Subcommittee  
held on 22 December 2008 at 3:00 p.m.**

**Present**

Mr. Man Mo-leung	(Chairman)
Prof. Chan Chak-keung	
Mr. Chua Hoi-wai	
Mr. Edward Leung	
Mr. Cheung Yan-hong	
Mr. Alan Chow	
Ms Christine Fong	
Mr. Kendrew Leung	
Mr. Wong Kam-sing	
Ms Betty Cheung	EPD
Mr. Matthew Tsang	EPD
Miss Katharine Choi	ENB
Mr. Kent Fung	ENB
Mr. KC Mak	EMSD
Mr. SM Yu	EMSTF
Mr. Joe Hui	EMSTF
Ms Vivien Mok	(Secretary)

**Absent with Apologies**

Mr. Reuben Chu	(Vice-chairman)
Mr. Alfred Lee	
Dr. Yau Wing-kwong	

**Agenda Item 1: Welcoming Remarks**

The Chairman welcomed all members to the first meeting of the Energy Conservation Fund (ECF) Energy Conservation Projects Vetting Subcommittee (ECPVSC). In order to maintain good order of the meeting, the Chairman proposed inviting Mr. Reuben Chu, who was also the Chairman of the Professional Green Building Council, to be the Vice-Chairman of the Subcommittee so that he would chair the meeting during his absence. Members agreed to this proposal.

**Agenda Item 2: Standing Orders and Guidelines on Declaration of Interests  
(ECPVSC 1/2008-09)**

2. The Chairman briefed Members on the standing orders of the ECF ECPVSC as stipulated in Paper 1/2008-09. Members noted that the quorum for ECF ECPVSC meeting would be half of the total number of Members and all questions put to the Subcommittee should be decided by a majority of the votes of the Members present and voting.

3. He also drew Members' attention to the need to declare any conflict of interest. The guidelines on declaration of interest were set out in the Annex to Paper 1/2008-09. The meeting discussed and Members agreed that when a member had any potential conflict of interest on an application, he/she should refrain from participating in the discussion of the application in question.

### **Agenda Item 3: Funding to Support Building Energy Efficiency Funding Scheme (ECPVSC 2/2008-09)**

4. Miss Katharine Choi briefed Members on Paper 2/2008-09 on the proposal to set up funding schemes under the ECF to provide financial incentives to two types of projects, namely energy-cum-carbon audit projects and energy efficiency projects and their respective implementation arrangements. The objective of the energy-cum-carbon audit projects was to encourage building owners to carry out energy-cum-carbon audits, with a view to systematically reviewing the use of energy and quantifying the greenhouse gas (GHG) emissions associated with buildings, and to identify opportunities for enhancements of energy efficiency and conservation and reduction in the level of GHG emissions arising from building operations. The funding support for energy efficiency projects would encourage building owners to carry out alteration, addition or improvement works to upgrade the energy efficiency performance of building services installations for communal use in commercial, residential or industrial buildings. Members were also invited to give comments on the respective Guides to Application and Application Forms. Subject to the support from the ECPVSC, the proposal would be submitted for the ECF Committee's consideration on 30 December 2008 and be implemented in the first quarter of 2009.

5. Given that there was a cap of \$150,000 for applications for single building but no cap for applications involving more than one building to conduct energy-cum-carbon audit, Mr. Alan Chow was concerned about the tendency for applicants of a single building to combine with others in order to maximize the amount of grant. The Chairman opined that given the objectives of the schemes to enhance building energy efficiency, applications which had not breached the application guidelines would be welcomed.

6. In response to Mr. Wong Kam-sing's enquiry regarding applications from non-governmental organizations (NGOs), Ms Betty Cheung informed that a pilot project from a NGO under which energy audits for private buildings were funded, had been approved by the ECF Environmental Education and Community Action Projects Subcommittee.

(Post-meeting notes : Applications from NGOs for energy audits and/or installation of energy efficiency items would also be submitted to the ECPVSC for vetting but worthwhile proposals from these organizations would normally be fully funded instead of halfly funded, which would be similar to arrangements of other ECF-funded projects.)

7. Mr. Kendrew Leung and Mr. Cheung yan-hong asked about the mechanism to monitor the allocation of approved funds for applications covering more than one building. Miss Katharine Choi stated that applicants were required to provide in the application form a detailed breakdown on the estimated expenditure on each item. The ECPVSC would then assess whether the project was cost-effective and the proposed budget was reasonable, taking into account assessment made by the Administration. In addition, applicants would not be reimbursed over the approved amount for individual item of the budget. Prior approval had to be obtained from the Subcommittee should there be any changes in the approved amount.

8. In response to Mr. Edward Leung's enquiry on whether applicants had to complete the audit before they could apply for funding for energy efficiency projects, Miss Katharine Choi advised that there was no such requirement. As regards Ms Christine Fong's suggestion on streamlining the application procedures, Miss Choi informed that there would

not be any restriction on applicants submitting more than one application for energy efficient projects provided that there was no duplication on the coverage among different applications. In response to Mr. Chua Hoi-wai's views over multiple applications from individual applicant, the meeting agreed to the Chairman's suggestion of including due considerations will also be given to repeated applications from individual building(s) as one of the vetting criteria for energy efficiency projects.

9. Mr. Cheung Yan-hong was concerned about the risk of incompleteness of approved projects. Miss Katharine Choi said that funding would largely be granted on a reimbursement basis, and since half of the total project cost would be borne by the applicants, they were expected to give due consideration to their own financial ability before submitting their applications. In addition, to protect the interest of the Government, upon approval of funds, recipient organizations would be required to sign an agreement signifying their undertaking to observe the conditions of using the allocated grant and the approved budget. The Chairman added that the ECPVSC would review the situation from time to time and would consider tightening the guidelines when necessary.

10. Professor Chan Chak-keung asked about the parameters set for the funding schemes. Miss Katharine Choi stated that priority would be given to applications involving buildings with high potential of energy saving and reduction in carbon emission. The Government at this stage had reserved a total of \$450 million to implement these two funding schemes, but more allocation could be sought if the schemes were well received by the public.

11. After deliberation, members supported the funding proposal for the building energy efficiency funding schemes.

(Post-meeting notes: The ECF Committee, at its meeting on 30 December 2008, approved the proposal to set aside \$450 million to set up the two funding schemes.)

#### **Agenda Item 4: Proposal for Entrusting Electrical and Mechanical Services Trading Fund to Provide Support to the Operations of Building Energy Efficiency Funding Scheme (ECPVSC 2/2008-09)**

12. Mr. Yu Shuk-man briefed Members on Paper 3/2008-09 on the proposal to entrust the Electrical and Mechanical Services Trading Fund (EMSTF) to provide professional support to the operations of the energy-cum-carbon audit projects funding scheme and the energy efficiency projects funding scheme. The EMSTF would provide the following services in this connection -

- publicity of the two schemes;
- collecting applications;
- commenting applications received and advising the Vetting Sub-committee/ECF Committee for their consideration of the applications;
- collecting and vetting the progress reports; and
- advising the ECF Secretariat on the disbursement of funds to the applicants upon satisfactory completion of milestone/whole project.

13. Members opined that good communication and collaboration with District Councils (DC) should be established for the promotion of the two schemes at district level. Miss Katharine Choi added that apart from promotions at District Council level, the funds

would also be promoted through the building management network of the Home Affairs Department. The Electrical and Mechanical Services Department would also publicize the schemes through their network in the engineering sector.

14. After discussion, members supported the proposals to entrust EMSTF to provide professional support to the operations of the two funding schemes and to recommend the Trustee to allocate \$5.075 million, \$3 million and \$1 million for the manpower resources to be provided by EMSTF in 2009 to support the operations of the schemes, publicity purposes as well as contingency uses for 2009 to 2010 respectively.

(Post-meeting notes: The ECF Committee, at its meeting held on 30 December 2008, endorsed the proposal to entrust EMSTF to provide support to the operations of the two schemes and the funding proposal in para. 14 above.)

**Agenda Item 5: Any Other Business**

15. The Chinese title of the Sub-committee would be announced in due course.

(Post-meeting notes : The Chinese title of the Subcommittee is 節能項目審批小組.)

**Agenda Item 6: Date of Next Meeting**

16. The Chairman remarked that the next meeting was scheduled for March 2009. The Secretariat would check out the availability of members and confirm the meeting date near the time.

17. The meeting was adjourned at 4:40 p.m.

**Secretariat, ECF Energy Conservation Projects Vetting Sub-committee  
February 2009**