

**Minutes of the 6<sup>th</sup> Meeting of the  
Energy Conservation Projects Vetting Subcommittee  
held on 11 July 2012 at 3:00 p.m.**

**Present**

Mr. Edward Leung	(Chairman)
Mr. Cheung Yan-hong	
Mr. Alan Chow	
Dr. Cynthia Lam	
Mr. Alfred Lee	
Mr. Kendrew Leung	
Mr. Man Mo-leung	
Mr. Wong Kin-wai	
Ms Betty Cheung	EPD
Ms Anita SW Tsui	EPD
Mr. Simon Kam	EPD
Mr. Donald Ng	ENB
Mr. Ip Kin-ping	ENB
Mr. Raymond Tong	EMSTF
Mr. Ming Chan	EMSTF
Mr. Steve Tsoi	(Secretary)

**Absent with Apologies**

Dr. Chan Fuk-cheung  
Mr. Bryan Pallop Gaw  
Ms Wong Wai-ching  
Dr. Yau Wing-kwong

**Welcoming Remarks**

The Chairman welcomed all members to the sixth meeting of the Environment and Conservation Fund (ECF) Energy Conservation Projects Vetting Subcommittee (ECPVSC), and especially welcomed Ms Anita SW Tsui and Mr. Simon Kam of EPD, who joined the meeting for the first time.

2. The Chairman informed members that Mr. WONG Kam-sing had resigned from the ECPVSC. In response to the Chairman's enquiry, Ms Betty Cheung said that re-appointment of another member at this stage was not required, as the current tenure of ECPVSC would end in mid October 2012.

3. On behalf of the ECPVSC, the Chairman expressed appreciation to Mr. Edward Yau, the former Secretary for the Environment, for his contributions in guiding the campaign towards environmental protection over the past years.

### **Agenda Item 1: Confirmation of the Minutes of the Last Meeting**

4. The draft minutes of the previous meeting held on 15 February 2012 were circulated to members on 29 June 2012. The minutes were endorsed without amendments.

### **Agenda Item 2: Matters Arising from the Minutes of the Last Meeting**

5. There was no matter arising from the minutes of the previous meeting.

### **Agenda Item 3: New Applications**

#### **I) Applications under Building Energy Efficiency Funding Schemes (BEEFS) (ECPVSC Paper 1/2012-13)**

6. In response to the Chairman's request, Mr. Kendrew Leung declared that the company which he served was the property management agent of some of the premises covered in a few applications under consideration. He was then invited to withdraw from the discussion.

7. Mr. Raymond Tong briefed members on ECPVSC Paper 1/2012-13 which aimed to seek their agreement to approve 108 funding applications of the BEEFS costing under \$2 million; to seek their support for three Energy Efficiency Project (EEP) funding applications of value exceeding \$2 million; and to reject a total of five applications due to inadequate information or commencement of works before approval. Since the last ECPVSC meeting held on 15 February 2012, 17 applications were withdrawn by the applicants of their own accord.

8. After discussion, members approved 108 applications costing under \$2 million with a total cost of \$30,385,865.5; and supported three EEP applications costing \$9,735,725 for the ECF Committee's approval as set out in the paper. Members also agreed to reject the five applications for the reasons of inadequate information / works commenced before approval granted and to terminate the 17 applications which were withdrawn by the applicants.

#### **II) Energy Conservation Projects for Non-government Organizations (NGOs) (ECPVSC Paper 2/2012-13)**

9. In response to the Chairman's request, Mr. Kendrew Leung declared that the company which he served was the property management agent of some of the premises covered in a few applications under consideration. He was then invited to withdraw from the discussion.

10. Mr. Steve Tsoi briefed members on ECPVSC Paper 2/2012-13 which aimed to seek their approval for 38 funding applications for energy conservation projects for NGOs including 36 applications for energy improvement works, one for energy-cum-carbon audit and one for education programme. A number of applicant organizations had submitted separate funding requests for various premises / offices under their purview, and these cases had been highlighted in the paper. Since the last ECPVSC meeting held on 15 February 2012, five applications were withdrawn. Mr Tsoi said that members' agreement was also sought to reject three applications for reasons including the applicant's failure to provide sufficient information, the proposed works

had already commenced before approval was obtained, and the proposed works fell outside the scope of the funding scheme respectively.

11. Mr. Steve Tsoi drew members' attention to the application for an education programme titled "Shine in Kwai Tsing for Environmental Power" submitted by the Youth Power of Kwai Tsing (ECP0341). The applicant organization proposed to organize volunteers to help elderly residents of public housing estates in the Kwai Tsing area to replace existing light bulbs in their residence with energy saving ones. With the support of 15 local community groups, and considering the long service history of applicant the organization in the Kwai Tsing area, the applicant was considered to have the capability to take forward the project. Mr. Tsoi told members that the secretariat had observed an increasing number of applications for education programme in which similar activities of installing energy saving light bulbs for target residents, or distributing such light bulbs as souvenirs for participants of activities were proposed. For the majority of these projects, the estimated expenditure on energy saving light bulbs accounted for about 20% to 30% of the total budget. Members were invited to consider whether a ceiling should be set on the expenditure for energy saving light bulbs for each education programme under application.

12. Mr. Wong Kin-wai opined that the educational value of giving away energy-saving light bulbs to participants of activities was higher than simply replacing the incandescent light bulbs for them. Mr. Man Mo-leung expressed that replacing incandescent light bulbs by energy saving devices had more practical value as the electricity consumption so reduced could achieve actual monetary savings, which could be an incentive for participants to switch to the use of energy saving items. Ms Betty Cheung advised that providing energy-saving lighting devices to the elderly and other underprivileged groups would help ease their financial burden, and instil a sense of energy-saving among these recipients. Ms Cheung indicated that to ensure gainful use of resources, the sending out of gifts / souvenirs to participants was generally not supported for applications under other ECF funding schemes. Mr. Alfred Lee agreed that funding applications for sending out energy-saving light bulbs as gifts / souvenirs should not be supported.

13. Mr. Cheung Yan-hong considered that the estimated expenditure for energy-saving lighting devices accounting for 20% to 30% of the total project sum was on the high side. Mr. Man Mo-leung opined that to facilitate the smooth processing of applications for education programme, clear guidelines for vetting the budget proposed for energy-saving light bulbs would be essential.

14. After discussion, members agreed that funding support for proposed activities under education projects for replacing incandescent light bulbs with energy-saving lighting installations would be considered subject to the merits of individual applications. Members also concluded that proposals for giving away energy-saving light bulbs as gifts / souvenirs for participants of activities should not be supported unless with very strong justifications, considering the limited educational value of such practices and to avoid possible waste of resources.

15. After deliberation, members approved 36 applications for energy improvement works, one for energy-cum-carbon audit and one for education programme with a total budget of \$8,039,905, and rejected three other applications set out in ECP0341.

#### **Agenda Item 4: Any Other Business**

##### **I) Variation to Approved Projects under BEEFS (ECPVSC Paper 3/2012-13)**

16. Mr. Raymond Tong and Mr. Ming Chan briefed members on ECPVSC Paper 3/2012-13 which aimed to seek members' support to –

- (i) approve the proposed changes to the budget of 15 approved EEP funding applications, i.e. EEP0014, EEP0064, EEP0096, EEP0174, EEP0343, EEP0432, EEP0533, EEP0540, EEP0580, EEP0714, EEP1009, EEP1060, EEP1069, EEP1158 and EEP1166;
- (ii) extend the project commencement date of two energy-cum-carbon audit funding applications, i.e. ECA0092 and ECA0118;
- (iii) approve the requests from EEP0286 and EEP1109 for acceptance of procurement of lift replacement works from suppliers which offered not the lowest bid in view of justifiable reasons provided;
- (iv) reject the request from EEP1046 for acceptance of procurement of services from the supplier which offered not the lowest bid due to their given reasons were not justifiable; and
- (v) approve to deduct the extra defect liability period costs for EEP0058 and EEP0132 that had been comprised in the contracts.

17. The Chairman enquired why the recipient organizations of the two projects, viz. EEP0286 and EEP1109, did not select the lowest tenders for lift control replacement services. Mr. Alfred Lee asked whether two-envelope approach was allowed for lift replacement projects. In response, Mr. Raymond Tong explained that according to previous agreement, all approved applicants had been reminded that if “marking scheme” was to be adopted, detailed marking standard and method of assessment should be clearly stated in the tender document for all tenderers' information. For EEP0286 and EEP1109, members' attention was drawn to the supplementary information submitted for details. Mr. Tong further drew members' attention to the arrangement previously agreed (ECPVSC meeting held on 16 May 2011) in handling request to award the work to a tender other than the lowest bid tender for safety concern

18. After deliberation, members approved the proposals as set out in the ECPVSC Paper 3/2012-13.

##### **II) Variation to Approved Projects under NGO Scheme (ECPVSC Paper 4/2012-13)**

19. Mr. Steve Tsoi briefed members on ECPVSC Paper 4/2012-13 which aimed to seek members' support to increase the budget of ECP0216, ECP0217 and ECP0218 for reason that the tender prices obtained were higher than originally anticipated.

20. After deliberation, members approved the budget variation requests as set out in the ECPVSC Paper 4/2012-13.

### **III) BEEFS Progress Report (ECPVSC Paper 5/2012-13)**

21. Mr. Ip Kin-ping briefed members on the progress report of BEEFS as at 25 June 2012. In sum, 2,004 applications had been received including 233 energy-cum-carbon audits and 1,771 EEP. The total funding approved was \$356.54 million. The estimated savings in electricity per annum were 151 GWh and the estimated reduction in carbon dioxide emissions per annum was 105,702 tonnes.

22. Mr. Raymond Tong reported that after the deadline of submission for BEEFS applications on 7 April 2012, EMSTF received five late applications. Rejection letters had been sent to the applicants concerned. However, one of the applicants subsequently wrote to EMSTF to request re-consideration of its late application. Members considered that the request should not be accepted as the application period for BEEFS had lapsed.

23. Mr. Raymond Tong drew members' attention to the enactment of the Buildings Energy Efficiency Ordinance (Cap. 610) (the Ordinance) which would come into full operation on 21 September 2012. He reported that the Ordinance would have implication on the approved applications if they were defined as "major retrofitting works" and completed after 21 September 2012. EMSTF had sent letters to all approved applicants with on-going projects advising them the requirements stipulated in the Ordinance. Mr. Donald Ng added that due to the implementation of the Ordinance, cost implication was possible. If request was received to increase the approved budget due to the Ordinance, they would be brought to the ECPVSC's for consideration. Nonetheless, significant increase in cost was not expected.

### **IV) NGO Scheme Progress Report (ECPVSC Paper 6/2012-13)**

24. Mr. Steve Tsoi briefed members on the progress report of the NGO scheme as at 30 June 2012. In sum, 447 applications had been received including 24 energy-cum-carbon audits, 383 energy improvement projects and 40 education programmes. The total funding approved was \$78.27 million. The estimated savings in electricity per annum were 7.44 million kWh and the estimated reduction in carbon dioxide emissions per annum was 5,208 tonnes.

25. Members had no particular comment on the above two progress reports.

### **Agenda Item 5: Date of Next Meeting**

26. Members noted that the next meeting would be held around mid September 2012. The Secretariat would inform members of the exact date in due course.

27. The meeting was ended at 4:00 p.m.

**Secretariat, ECF Energy Conservation Projects Vetting Subcommittee  
August 2012**