

CONTROLLING OFFICER'S REPLY

ENB064

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Head: (42) Electrical and Mechanical Services Department
Subhead (No. & title): (-) Not Specified
Programme: (1) Energy Supply; Electrical, Gas and Nuclear Safety
Controlling Officer: Director of Electrical and Mechanical Services (CHAN Fan)
Director of Bureau: Secretary for the Environment

Question (Member Question No. 178):

With regard to the study on the long-term electricity market structure by the SAR Government, please advise us of the details, expenditure involved and manpower committed, and the time schedules; and whether the stranded costs of the power companies have also been studied, and if so, the details and results.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

According to the Scheme of Control Agreements signed by the Government and the two power companies, before implementing any change to the electricity supply regulatory framework, the Government shall take into account all relevant factors and discuss with the power companies the market readiness, any potential future change to the electricity supply regulatory framework and transition issues before 2016. In order to explore the feasibility of introducing more competition to the electricity market and whether that will benefit the electricity users, the Environment Bureau (ENB) will proceed to review the post-2018 regulatory framework for the electricity market. The review will cover a range of policy, economic, legal, technical and financial matters that will require detailed examination, and will involve a lot of work including developing a feasible regulatory framework applicable to Hong Kong, conducting consultancy studies, launching public consultation and organising public engagement activities, collecting views from the public and stakeholders, conducting in-depth discussions and negotiation with the power companies, and formulating implementation plans for changes to the regulatory framework that may occur.

The Electrical and Mechanical Services Department provides technical support to ENB in respect of the above work. As the related officers also handle other duties concurrently, there is no separate breakdown on the manpower and expenditure involved.