

**CONTROLLING OFFICER'S REPLY**

**ENB076**

**(Question Serial No. 5054)**

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. 109):

With regard to the long-term electricity market structure study, please advise this Committee:

- 1) the expenditure and manpower involved in the past three years;
- 2) the details of the study, and if that includes the impact on the local electricity market should it become an open market. If yes, what are the details?

Asked by: Hon. WU Chi-wai

Reply:

(1) and (2)

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.