



Hong Kong General Chamber of Commerce
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28 April 2011

The Hon CHAN Hak-kan
Chairman
Panel on Environmental Affairs
c/o Legislative Council Secretariat
Jackson Road, Central
Hong Kong

Dear Mr Chan,

Impacts of the development of nuclear energy for local power generation on HK

The Hong Kong General Chamber of Commerce would like to provide written input to the discussion of the captioned topic at the Panel meeting on 29 April 2011.

In our submission last November commenting on the Government's proposed climate change strategy, we have already put in detailed comments on the proposed revamp of the fuel mix for electricity generation, which entailed a significant shift to the use of nuclear power. We believe that our comments remain relevant for the present discussion.

The relevant part of our submission is extracted in the attached for easy reference. You will see that while HKGCC recognises that nuclear power is an obvious solution, we highlight in our submission that the Government has not elaborated on issues like current and future availability of nuclear power sources and nuclear fuel, safety issues and measures for disposing of spent fuel. We pointed out then, and it remains our view now, that the wider community in Hong Kong will need reassurance in relation to the risks associated with nuclear power, and that without such assurances, it might be too difficult at this stage to state or to accept that nuclear should be the unequivocal preferred route.

It is obvious that in the wake of the nuclear incident in Fukushima, the risks issues that we raise have taken on added importance.

Thank you very much.

Yours sincerely,

Alex Fong
CEO

Encl.

Extract from HKGCC submission in response to Consultation Document “Hong Kong’s Climate Change Strategy and Action Plan” (submitted on 7 December 2010)

Revamp fuel mix for electricity generation

8. The most critical GHG reduction measure is the revamp of the fuel mix for electricity generation, which accounts for around two-thirds of local GHG emissions. In principle, any reduction in coal-fired power supply is the right direction.

9. The HKGCC supports in broad terms the proposed fuel mix and the replacement of coal with additional gas-fired generation and nuclear power by 2020. We support the use of natural gas as it is cleaner and more efficient, although it is also a fossil fuel contributing to GHG emissions. Having a secure, safe and reliable supply of electricity is essential, and such a supply should come with the lowest practicable environmental impact and at a reasonable cost.

10. As the consultation document points out, nuclear power has been a stable, reliable and relatively low cost electricity supply to Hong Kong for more than 15 years. Adding extra nuclear power appears to be an obvious option, but the document does not elaborate on issues like current and future availability of nuclear power sources and nuclear fuel, safety issues and measures for disposing of spent fuel. The wider community in Hong Kong will need reassurance in relation to the risks associated with nuclear power, as well as nuclear power supply for Hong Kong in the future. This is important because without such assurances, it may be too difficult at this stage to state or to accept that nuclear should be the unequivocal preferred route.

11. It is obvious that Hong Kong needs better integration with Mainland China to secure a stable and reliable source of electricity. As the proposed fuel mix is highly dependent on nuclear and gas sourced from the Mainland, the Government should conduct a risk analysis on this dependency and explore possible options for risk mitigation. Such risks may include interruptions to the operation of nuclear plants and gas pipelines, and fuel shortages in the Mainland. It may be necessary to maintain a certain number of 3 coal-fired or oil-fired generators for emergency use in the event of unforeseen fluctuation in natural gas and nuclear power supply.

12. There should be more attention on renewable energy and energy efficiency. Owing to land supply constraint, there are limits to large scale use of renewable energy such as solar and wind in Hong Kong. However, appropriate promotional and incentive programmes should be taken to encourage individual users to install small renewable energy systems, with the target of producing 3-4% of total electricity generated from renewable sources, as suggested in the document. This can be facilitated by a combination of the following measures: streamlining the relevant building code and regulations, simplifying electricity grid connection requirements whilst maintaining reliability, and offering appropriate Government financial incentives.

13. The costs and benefits of different approaches, including the Government’s proposals, should be compared and studied in detail. The Government has the responsibility to clearly set out the costs and benefits, particularly for electricity pricing, so that the whole community may discuss and hopefully endorse. If there are measurable benefits, e.g. saving on electricity bills due to installation of appropriate lighting devices, more businesses and households will be willing to follow suit.

Full version of the submission available at:

<http://www.hkgcc.org.hk/FileUpload/201012201751537330/ClimateChangeStrategy.pdf>