



Hong Kong General Chamber of Commerce
香港總商會 1861

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12 January 2024

Mr Pang Yiu Hung, JP
Director of Electrical and Mechanical Services
Electrical and Mechanical Services Department
3 Kai Shing Street, Kowloon
Hong Kong

Dear Mr Pang,

**Re: EMSD Consultation Paper on
Proposed Amendments to the Buildings Energy Efficiency Ordinance (Cap.610)**

The Hong Kong General Chamber of Commerce welcomes the opportunity to respond to the captioned consultation.

We are generally supportive of the Government's proposals to enhance the Buildings Energy Efficiency Ordinance (BEEO), which provide further impetus for Hong Kong to enhance the sustainability of its built environment and realize decarbonization objectives.

At the same time, as such changes would entail an expansion of the nature and scope of buildings which would be included under the BEEO, we recommend that further assessment of the necessity and practicality of relevant measures, as well as further consultation of industry stakeholders on the implications of the proposed changes, would be helpful in ensuring a balanced and proportional implementation of the same.

We hope you will find our comments useful.

Yours sincerely,

Patrick Yeung
CEO

Encl.

**EMSD Consultation Paper on the
“Proposed Amendments to the Buildings Energy Efficiency Ordinance
(Cap. 610)” (November 2023)**

Response by the Hong Kong General Chamber of Commerce (HKGCC)

Introduction

HKGCC welcomes the opportunity to respond to this consultation (CP). We provide first our general comments on the CP’s proposals, then answers to the specific consultation questions.

General comments

1. Greening the built environment is part and parcel of Hong Kong’s journey to minimizing its carbon footprint and meeting its 2030 carbon neutrality objectives.
2. We agree in principle with the Government’s proposals to amend the Buildings Energy Efficiency Ordinance (Cap. 610) (BEEO), to meet energy saving and decarbonisation goals, given that buildings account for 90 per cent of Hong Kong's electricity consumption, and over 50 per cent of the city’s carbon emission is tied to electricity generation for its buildings.¹ Enhancements to the BEEO are also timely for the regulatory framework to keep pace with developments within the commercial landscape, as Hong Kong seeks to strengthen its capabilities as a smart city.
3. At the same time, we suggest that, in making the proposed amendments to the BEEO, consideration be given to 1) assessing the necessity and practicality of the measures, and 2) the inclusion of achievable action items, particularly in relation to data centres (DC). These two points are further discussed below.
4. On the proposed inclusion of additional types of buildings in the mandatory energy audit scope²:
 - 4.1. We are generally supportive, but suggest that further consultation of relevant stakeholders, including building owners and operators, would be beneficial as the Government considers changes to the BEEO. For example, in expanding the scope of additional types of buildings regulated by the BEEO, we recommend that a minimum building size (gross floor area or GFA) could be considered such that potentially costly energy audits are not applied to very small premises - a case in point being that a Light Rail Station in the New Territories will

¹ CP para. 1

² CP para. 9 (b)

not have energy consumption on the same scale as a major Mass Transit Railway (MTR) interchange like Admiralty, though both are ‘railway stations’.

- 4.2. We also understand from our members that DC owners and/or operators would typically need to engage third-party engineers or consultants to conduct audits, but this process can be challenging owing to 1) privacy considerations – as sensitive data comprises the bulk of data stored at such facilities, more stringent standards may need to be applied as compared to that required for commercial buildings, and 2) complexity and cost considerations – DC facilities are generally energy component heavy, which necessitates a great deal of technical expertise, time and manpower, and therefore results in potentially increased expenses. The variation of mechanical, electrical, and engineering records kept by existing buildings, could also add to the cost.
- 4.3. As energy conservation assessments – such as measuring power usage effectiveness (PUE) ratios, with a lower ratio indicating more efficient power usage - are front and centre considerations for the DC industry, we would suggest that further impact assessments be made to gauge the necessity of mandatory measures aimed at ensuring industry compliance with Government sustainability goals.
- 4.4. Here we also specifically put forward our views on the proposed mandatory disclosure of energy audit report information as mentioned in the CP – “we propose amending Part 4 of the Ordinance to empower the Director of Electrical and Mechanical Services to disclose the technical information of the energy audit reports under a specified format. These technical information may include the energy efficiency coefficient, year of services and control system of individual building services installations, identified energy management opportunities and the energy conservation recommendations, etc.”³:
 - 4.4.1. Our members recognize the benefits of such disclosures as enhancing the transparency of information related to building energy efficiency performance, which would be useful for driving compliance with the BEEO, enhancing tenant engagement, and providing reference for other sustainability efforts such as green financing, as well as Hong Kong’s development as a smart city. In a similar vein, supplementary enforcement measures could also be introduced to address any irregularities with the audit reports.
 - 4.4.2. Nevertheless, we also note from our members that it would seem from this specific proposal that the Director of Electrical and Mechanical Services would be

³ CP Appendix A, Part (d)

bestowed with unfettered powers to disclose a wide range of information related to the energy audit report, without the industry being given prior notice. This in turn raises a potential concern, as commercially sensitive information may be included in the disclosure process. A more voluntary approach on such disclosures, an example of which includes Hong Kong Green Building Council's Zero-Carbon-Ready Building Certification Scheme,⁴ centred on encouraging industry benchmarking of energy performance and disclosure, could be considered in this respect.

5. We also recognize the importance of maximizing the value of the audit requirement as stipulated in the BEEO. To this end, we would welcome further clarification on how the audit reports would be utilized. One suggested approach is that further actionable steps relating to Energy Management Opportunities identified in the audit reports, could be introduced to support building owners and operators in meeting energy efficiency goals.
6. Lastly, we gather from our members that other practical measures, such as charging old facilities which are high on energy consumption and the Government providing subsidies for retrofitting and refurbishing for the foregoing facilities, could be useful in supporting the proposed enhancements to the BEEO. This is particularly relevant in view of increased multi-ownership building models in Hong Kong, whereby decisions on energy saving may meet deadlocks or are deferred as a priority owing to cost issues.

Answers to Consultation Questions:

Question 1

Do you agree to include building or part of the building that is occupied principally as data centre under the regulatory scope of energy efficiency standard for building services installations? If disagree, why?

We generally agree with the proposal, but ask that due consideration also be given to the matters set out in our general comments above.

Question 2

Do you agree to require more types of buildings to conduct energy audit? If disagree, why?

⁴ The Hong Kong Green Building Council Launches “Zero-Carbon-Ready Building Certification Scheme.” (2023). *News*. Retrieved from <https://www.hkgbc.org.hk/eng/news-events/news/2023/20230929.jsp>

We generally agree with the proposal, but ask that due consideration also be given to the matters set out in our general comments above.

Question 3

Do you agree to shorten the interval of energy audit from 10 years to 5 years? If disagree, why?

We agree. Nevertheless, given the shorter time interval for conducting energy audits, we suggest that consideration also be given to ensuring the sufficiency of supply of registered energy assessors, to minimize the risks of large cost fluctuations in the market. Provision of market information on energy audit costs, similar to that released under the Urban Renewal Authority's Building Rehabilitation Platform initiative, could also be useful to the industry.

Question 4

Do you agree to mandate disclosure of the technical information in energy audit report? If disagree, why?

Please refer to our general comments above.

Question 5

Do you agree to include professional engineer of energy discipline as one of the assessment criteria for the application for registration as Registered Energy Assessor, and include corporate member of the Hong Kong Institution of Engineers in the energy discipline as the compositions of Disciplinary Board Panel and Appeal Board Panel? If disagree, why?

We defer to industry practitioners to provide their comments on this question.

Question 6

Do you agree to introduce a transitional period of 12 months after the amendments to the Ordinance? If disagree, why?

We agree.

HKGCC Secretariat
January 2024

