

# Financial Incentives for Promoting New and Renewable Energy in Hong Kong

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# Role of EMSD in Promoting EE & RE in Hong Kong

As the executive arm in supporting the Environment Bureau in enhancing energy efficiency and conservation as well as promoting application of renewable energy in Hong Kong, through its Energy Efficiency Office established in 1994.



# Financial Incentives - Power Companies

- To encourage the power companies to develop and adopt RE technologies.
- In the 2008 Scheme of Control Agreements, the two power companies enjoy a higher (11%) permitted rate of return for their investment in RE facilities.
- A bonus of 0.01 to 0.05 percentage point in permitted return is also offered in accordance with the extent of RE usage in their electricity generation.
- The power companies formulated standardized arrangements for connection RE equipment to their electricity grids



# Financial Incentives - SMEs

- Tax incentives
- The capital expenditure of the private organization's RE power system in building can be deducted over a 5-year period starting from the year of purchase

# Financial Incentives - Funding Schemes

- Funding schemes operated by public and private organization
- e.g. the environment and conservation fund from Gov., R&D funding scheme from ITD targeted for SMEs, sponsorship funds from power companies;
- some sponsorships listed in HK RE Net operated by EMSD

# Financial Incentives - Public Works Projects

- A technical circular in 2005 encourages all public works projects to have greater adoption of energy efficient features and RE technologies.
- Another technical circular in 2009 set the comprehensive target-based green performance framework for new and existing Government buildings. All new schools and educational buildings should aim to have at least 0.5% of their electricity consumption to be provided by RE, where technically and financially viable.
- All other Government buildings should also incorporate RE technologies as far as reasonably practicable.



