

## **Renewable Energy**

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The Strategy Forums of the Council for Sustainable Development present good chances for HKSDF's new executive committee to make its voice heard. The topics are timely and relevant, and we have the expertise in-house to make meaningful comments.

I want to make comments on Renewable Energy (RE).

RE has been on the agenda for years and no major decision has been made. The government has been unwilling to consider major initiatives which may affect the schemes of control of the two electricity companies. Even when targets were set up, the government presents a low target- i.e. only 1% of production would be in the form of RE by the year 2012, *if all vested interests were on board*.

The key to the problem is a lack of competition in Hong Kong. With the market dominated by the two electricity companies, HK people have little choices. Look at Hong Kong's telecommunications industry for example. The liberalization of the market some years ago has led to more consumer choices other than PCCW and lower telephone bills. The same logic applies. The critical point is whether there is any major competition in the market. If the government genuinely supports Sustainable Development and RE, options available would include opening up the energy market in 2008 when the schemes come under review, allowing import of RE from Guangdong, imposing regulations on the two companies to open up its grids for connection, etc. There should be many options available. And it may not be totally to the detriment of the two companies. In the longer term, they need to speed up their RE investments. There is a timely article in the June issue of National Geographic, and it says we are getting into the era of high oil prices. It says global oil production will peak in 2016 (or 2040 if the USGS figures were used). Oil prices will only get higher, same for coal as a matter of logic.

And, for Hong Kong to limit its scope of feasibility to Hong Kong only is casting a very narrow scope. Hong Kong is part of the Pearl River Delta. While land is limited in Hong Kong, it is not such a limiting factor in Guangdong. What is incapable here is a genuine possibility in Guangdong. Hong Kong should seriously study the feasibility of importing from its neighbors. One cannot just think about Hong Kong as a source of energy, but its neighbors as well.

When there is a will, there is a way.