

LCQ21: Pilot scheme on electric ferries

Following is a question by the Hon Lam San-keung and a written reply by the Acting Secretary for Environment and Ecology, Miss Diane Wong, in the Legislative Council today (November 13):

Question:

In 2021, the Environmental Protection Department (EPD) signed an agreement with two ferry operators participating in the pilot scheme on electric ferries (the pilot scheme) to subsidise their construction of electric ferries and charging facilities in order to test the relevant technical and commercial viability in Hong Kong. The EPD pointed out at the time that the department would assist the ferry operators having signed the agreement in the preparation in respect of the tenders for the construction of electric ferries, and that the testing for electric ferries was tentatively anticipated to commence in 2023. In addition, the EPD was also finalising the details of agreement with two other ferry operators at that time with a view to signing a subsidy agreement as soon as possible. In this connection, will the Government inform this Council:

- (1) whether the four ferry operators participating in the pilot scheme have completed the tendering procedure;
- (2) as it is learnt that some ferry operators have repeatedly extended the expiry of the tender documents, whether the Government has gained an understanding of the reasons for that; if so, of the details; and
- (3) of the progress of the testing for electric ferries; if the testing has not yet commenced, of the reasons for that?

Reply:

President,

To promote the trial of electric ferries in Hong Kong, the Government has earmarked \$350 million to implement the Pilot Scheme for Electric Ferries (Pilot Scheme) to fully subsidise ferry operators on the fees of the construction of four electric ferries and the associated charging facilities, as well as the operational, maintenance and repair expenditures incurred by the operation of the electric ferries during the 24-month trial period.

In the early implementation stage of the Pilot Scheme, our preliminary estimate was that the trials of electric ferries could commence in 2023. Nevertheless, given that there are limited applications of electric ferries globally and the Pilot Scheme involved the conduct of trials on new technology of electric ferries locally for the first time, the ferry operators have to exercise extra prudence in the design and tendering process

so as to ensure that the electric ferries can meet their relevant operational needs and ensure the proper use of public money. Therefore, we subsequently updated the target and plan to test out the electric ferries in co-operation with ferry operators in 2024.

My response to the question raised by the Hon Lam is as follows:

(1) and (3) Three ferry operators have completed the open tender process for the procurement of ferries. The ship launching ceremony of an electric ferry constructed by one of the ferry operators was held in Nansha, Guangzhou, in early September this year. This electric ferry is currently undergoing various performance tests and will formally be put into service after undergoing final testing in the Hong Kong waters by the end of this year and allowing captains to familiarise themselves with the operation of electric ferry. The shipbuilding works of the other two ferry operators are now in progress. Since the shipbuilding works of an electric ferry generally take about 18 months, it is anticipated that these two electric ferries will be delivered to Hong Kong for final testing in the first half of 2025 and the first half of 2026. The remaining ferry operator has also commenced the open tender exercise for the procurement of electric ferry. The Environmental Protection Department is closely monitoring the progress and the target is to commence the services as soon as practicable for the Pilot Scheme.

(2) Owing to the different design and technical requirements of electric ferries from those of traditional ferries in many aspects, the ferry operators took a longer time to evaluate the tender documents submitted by all tenderers and requested the tenderers to provide explanations and clarifications on specific tender submissions or technical issues. The design of an electric ferry was even changed in accordance with the latest operational needs of an individual operator. Therefore, to avoid the need of re-tendering due to expiry of the tender price proposal submitted by the tenderers, which would increase the time required for procurement, two ferry operators extended the binding period of the tenders in 2023 in accordance with the general tendering procedures without violating any terms of the tender documents. It is not uncommon to extend the binding period of tenders, in particular when new technologies are involved or there are some technical issues which take time to resolve. The two ferry operators concerned have completed the tender process and the shipbuilding works are now in progress.