

Multi-pronged approach by EPD to promote electric vehicles development

In response to the Ombudsman's Direct Investigation Report on "Government's Planning and Arrangements for Ancillary Facilities for Electric Private Vehicles" today (October 22), the Environmental Protection Department (EPD) said that the recommendations stated in the report are coherent with the EPD's plan to promote the development of electric vehicles (EVs) in a multi-pronged approach. The EPD thanked the Ombudsman's report and will continue to proactively implement the recommendations.

Regarding the supply of electric private cars (e-PCs), policies on the promotion of EVs should advance with time, taking into account the actual situation of the technological development of EVs, the market supply and competitiveness, and public acceptance. There have been more e-PC brands and models available in Hong Kong in recent years with more mature technology and longer driving range, with their prices more comparable to conventional fueled private cars. Therefore, the Government reviewed the First Registration Tax (FRT) concession arrangement for EVs in 2017 and 2018 with an aim to encouraging EV manufacturers to roll out more economical and more affordable e-PCs, which help popularise e-PCs in the long run. The "One-for-One" Replacement Scheme could also help relieve the stimulating effect to the increase of private vehicles.

Apart from the supply of e-PCs, the availability of EV charging-enabling facilities is also a deciding factor of whether Hong Kong can support the extensive use of EVs in the future. Back in 2011, the Government had adopted a prospective approach to amend the "Hong Kong Planning Standards and Guidelines", update guidelines on the design of new government buildings, and offer gross floor area concession for car parks in new developments in order to encourage the provision of such facilities in preparation of the probable situation of the extensive use of EVs in the future when suitable chargers can be installed at car parking spaces conveniently.

Owing to the gradual increase of e-PCs in recent years, the Financial Secretary announced in the 2019-20 Budget that the Government would allocate \$120 million to extend the public EV charging networks in government car parks in the coming three years, including the installation of additional medium chargers in car parks managed by the Transport Department, the Government Property Agency, the Leisure and Cultural Services Department and the Tourism Commission which are fully or partially open to the public. Around 1 200 additional public chargers are expected to be put in place by 2022, bringing its total number to around 1 700.

Public charging facilities should only be supplementary in nature. To popularise EVs, users should be able to charge their EVs at home or workplace. Therefore, apart from new developments, the EV charging infrastructure at existing buildings should also be enhanced. The Government announced in "The Chief Executive's 2019 Policy Address" that a \$2 billion

pilot subsidy scheme has been set aside to subsidise eligible car parks of existing private residential buildings to install EV charging-enabling facilities, in order to further improve its infrastructure and prepare for the large-scale development and popularisation of EVs.

The pilot scheme will last around three years, with an aim to assist the installation of EV charging-enabling facilities in the car park of existing private residential buildings such that their infrastructure would akin to those at most of the new buildings built in recent years. The provision of the infrastructure will help owners of parking spaces to install chargers according to their own needs in future. The scheme will also assist owners of EVs to charge their EVs at home, in particular at night to optimise the use of electricity during non-peak hours.

In response to the other recommendations by the Ombudsman, an EPD spokesman said, "The Government's current work includes reviewing the parts related to EV charging facilities in the 'Hong Kong Planning Standards and Guidelines', proactively promoting the use of EVs in government departments, preparing for the setting up of EV charging network smart system and formulation of the fee-charging scheme, discussing with the EV suppliers issues relating to the proper collection and handling of retired EV batteries, and encouraging relevant institutions to strengthen the training of technical personnel on EVs and its charging facilities."

On electric commercial vehicles (e-CVs) including taxis, goods vehicles, light buses and buses, the spokesman pointed out that the Government has implemented relevant policies and initiatives. The FRT of e-CVs are fully waived, enterprises which procured e-CVs are allowed full profit tax deduction for the capital expenditure on the vehicle in the first year of procurement, the Pilot Green Transport Fund has been put in place to encourage the transport sector to try out green innovative transport technologies including e-CVs, and subsidy was provided to franchised bus companies to purchase electric buses for trial on a number of routes to assess their operational efficiency and performance under local conditions. The Government will also continue to explain to the public on the reasons of and rationale behind the EV-promotion related measures and arrangements, and will strengthen collaboration to promote EVs.