Speech by SEE on power sector decarbonisation at APEC Energy Ministerial Meeting (English only)

Following is the speech by the Secretary for Environment and Ecology, Mr Tse Chin-wan, at a discussion session titled Power Sector Decarbonization at the Asia-Pacific Economic Cooperation Energy Ministerial Meeting in Seattle, the United States (US), today (August 15, US time):

Thank you, Chair and fellow colleagues. Good day to all of you.

President Xi Jinping has made it clear that China would endeavour to achieve the peak of carbon emissions before 2030 and carbon neutrality before 2060.

As to Hong Kong, China, our carbon emissions peaked in 2014. Hence, our targets are to cut our carbon emissions by half before 2035, and achieve carbon neutrality before 2050. At the moment, the carbon emissions have been reduced by about one quarter below the peak. Electricity utilisation is one of the largest sources of carbon emissions in Hong Kong, China. As such, we have set "net-zero electricity generation" as one of our major decarbonisation strategies and targets to be achieved before 2050.

In this regard, the power companies have not been allowed to build new coal-fired generating units since 1997 and are required to replace coal with cleaner fuels. As a result, the share of coal has dropped to about a quarter of the fuel mix in 2022. For the rest of the fuel mix, about half is natural gas while slightly more than a quarter is nuclear and renewable energy.

The two power companies in Hong Kong, China, have developed and constructed a new offshore liquefied natural gas terminal within our waters with the world's largest floating storage and regasification unit to provide cleaner, more reliable and diverse energy supply.

To further decarbonise our power sector, we have set the target to cease using coal for daily electricity generation by 2035. We are also striving to increase the use of zero-carbon energy and its share in electricity utilisation to around 60 per cent to 70 per cent before 2035.

Hong Kong, China, is a small place with severe geographical and environmental constraints. Nevertheless, the Government has been striving to drive the development of renewable energy. We are planning to install a five megawatt floating solar power system at a reservoir and introduce highly efficient storage battery technology. HK$3 billion is allocated to install small-scale renewable energy systems at government premises. Renewable energy features have also been applied in the design of public housing estates, which accommodate half of our population.

In the course of decarbonising our power sector, it is important to ensure our community is enjoying a reliable and safe energy supply also at reasonable prices. At the moment, nuclear energy imported from the Mainland accounts for about a quarter of our fuel mix for electricity utilisation. It has been proven to be a critical stabilising factor in electricity tariffs.

Looking to the future, we are exploring collaboration with neighbouring regions in zero-carbon energy projects, as well as planning the construction of large-scale electricity facilities for receiving and processing zero-carbon electricity transmitted from other regions. These will help us achieve the interim target to reduce carbon emissions by half before 2035.

Ladies and gentlemen, climate change is a global issue that demands a global solution. Building a carbon-neutral future requires the concerted efforts of every one of us. Today's session provides an excellent platform for knowledge exchange. I believe that all of you will benefit from the insights shared by the speakers. Thank you.