

Smart Power Building Fund

Guide to Application

Hotline: 2510 2701

Email: SPBF@hkelectric.com

Website: www.hkelectric.com/SPBF-en



Revised on 31 Mar 2022

Contents

1.	Introduction	2
2.	Eligibility	2
3.	Requirements for Application and Projects.....	4
4.	Subsidy Amount.....	6
5.	Application Process	9
6.	The Subsidy Agreement	14
7.	Contract Award and Project Commencement	14
8.	Project Completion.....	14
9.	Disbursement of Subsidy	16
10.	Termination of Application/Subsidy Agreement	17
11.	Responsibilities and Limitation of Liability	18
12.	Data Protection and Information Disclosure	19
13.	General	20
	SCHEDULE 1 – CATEGORIES AND SUB-CATEGORIES OF ELIGIBLE BUILDINGS	21
	SCHEDULE 2 – APPLICANTS ELIGIBLE TO APPLY FOR SPBF.....	23
	SCHEDULE 3 – CRITERIA FOR PERSON-IN-CHARGE	24
	SCHEDULE 4 – EXAMPLE OF SUBSIDY ADJUSTMENT.....	25

1. Introduction

- 1.1 HK Electric establishes a Smart Power Building Fund (the **SPBF**) under its 2019-2033 Scheme of Control Agreement to provide financial subsidies to qualified building owners to enhance energy efficiency performance of their building services installations for communal use through implementation of eligible energy efficiency enhancement projects. The SPBF is administered by HK Electric, and overseen by a Vetting Committee (the **Vetting Committee**) comprising representatives from HK Electric and different sectors of the community. The Vetting Committee will provide guidance to its operation and to vet eligible applications for approval.
- 1.2 The SPBF is open for application until 31 December 2033 or the funding is fully used up, whichever is the earlier.
- 1.3 This Guide to Application (the **Guide**) sets out the eligibility criteria, the application and vetting processes and other terms and conditions for the SPBF. HK Electric may from time to time revise this Guide. Notice of any revision will be conclusively given by publishing the revision on HK Electric's website at www.hkelectric.com or by sending to applicants a copy of the revised Guide or an appropriate extract or summary of the same. Any such revision will replace all previously published Guides and will take effect from the date when the revision is first published on HK Electric's website (or such later date specified in the revision).
- 1.4 For the avoidance of doubt, this Guide does not apply to energy efficiency enhancement projects applied and/or approved under HK Electric's Smart Power Fund established under its 2009-2018 Scheme of Control Agreement, which shall continue to be governed by its own terms and conditions.

2. Eligibility

- 2.1 Application for the SPBF (the **Application**) will only be considered for energy efficiency enhancement projects which satisfy all of the conditions set out in Sub-clauses a) to d) below (the **Projects**).
 - a) The Projects are for buildings or premises (collectively **Eligible Buildings**) which are either:
 - i. buildings located within the supply territory of HK Electric, except buildings directly owned and operated by the HKSAR Government (such as government offices, government school buildings, etc.); or
 - ii. premises which are floor(s)/unit(s) of a building located within the supply territory of HK Electric and operated by non-profit-making non-governmental organisations which are either members of The Hong Kong Council of Social Service, or organisations providing subvention

services under the Social Welfare Department of the HKSAR Government (**NGOs**) solely/mainly for provision of education, community or welfare services for communal use (such as NGO-operated senior care and nursing homes, special schools, childcare centres, sheltered workshops and rehabilitation centres, etc.), and for the avoidance of doubt, exclude premises solely/mainly for NGOs' administration and other internal uses.

- b) The Projects are under one or more of the following types, and are based on an engineering design basis in accordance with code of practices or technical guidelines issued by the Electrical and Mechanical Services Department of the HKSAR Government (the **EMSD**);
- i. Retrofitting Projects - Retrofitting or replacement or improvement works (excluding additional works) to upgrade the energy efficiency performance of existing building services installations (viz. lighting, air-conditioning, lifts and escalators, electrical installations such as pump motors) for communal use;
 - ii. Retro-commissioning (RCx) Projects - Retro-commissioning works carried out in accordance of the Technical Guidelines on Retro-commissioning (the **TG-RCx**) issued by EMSD. For avoidance of doubt, the Projects shall comprise planning, investigation and implementation stages as stipulated by the TG-RCx, but exclude the on-going commissioning stage; or
 - iii. Building-based Smart Technologies Projects - Implementation of building-based smart/IT technologies, including but not limited to Internet of Things (IoT) technologies, data analytics and building management systems, to upgrade the overall energy efficiency performance of the existing building services installations for communal use.
- c) The Projects can enhance energy efficiency of building services installations for communal use in the Eligible Buildings, which are capable of generating quantifiable energy savings, and comply with the requirements set out in Clause 3.
- d) No work has been carried out, and no contract has been awarded for the Projects at any time prior to or during the Application, and will remain so until the receipt of the Letter of Approval from HK Electric (as detailed in Clause 5.11).

2.2 Eligible Buildings are further divided into different categories (the **Categories**) and sub-categories (the **Sub-categories**) in accordance with the criteria contained in Schedule 1 to this Guide, and the terms and conditions applicable to each Category and/or Sub-category of Eligible Buildings are set out in this Guide.

- 2.3 The Vetting Committee has the sole and absolute discretion to interpret Clauses 2.1 and 2.2 and Schedule 1 and decide the eligibility of all Projects for the SPBF and the Categories/Sub-categories of Eligible Buildings, and its decision shall be final.

3. Requirements for Application and Projects

- 3.1 The Application and all Projects are required to comply with the requirements set out in Clause 3.

Applicants

- 3.2 An application for SPBF for each Project shall be made by the eligible applicant for each Category/Sub-category of Eligible Buildings (the **Applicant**) set out in Schedule 2 to this Guide.

Authorised Person

- 3.3 The Applicant shall, prior to the Application, designate and authorise a natural person to be the **Applicant's Representative** (e.g. the chairperson/director of a company/organisation applicant) and a natural person to be the **Person-in-charge**, who shall meet the criteria set out in Schedule 3 to this Guide, to be the Applicant's representatives and act on its behalf in all matters in relation to the Application and the Projects. For multi-ownership buildings without owners' corporations/organisations or DMC Manager (as defined in Schedule 2), the Applicant's Representative shall have obtained written authorisations from all owners of the buildings.
- 3.4 HK Electric shall treat communications from or requests by any of the Applicant's Representative or the Person-in-Charge (collectively the **Authorised Person**) as duly authorised by the Applicant, and shall be at liberty to ignore any communication from or request by any other person (regardless of whether such person has any interest in the relevant Eligible Buildings/Premises and/or Projects). HK Electric will not become involved in, nor will it be responsible for, any dispute between owners or other parties interested or claiming an interest in the relevant Eligible Buildings/Premises and/or the Projects.
- 3.5 To ensure HK Electric's ability to communicate with only persons duly authorised by the Applicant, the Applicant shall immediately notify in writing HK Electric of any change in the Authorised Persons or any change in their particulars (and in case of a change of an Authorised Person, provide evidence satisfactory to HK Electric of the appointment, designation and/or authorisation of the Authorised Person's successor), and in any case within 7 days of such change, failing which HK Electric, with the approval of the Vetting Committee, has the right to terminate the Application or the Subsidy Agreement (as defined in Clause 6).

Qualified Service Provider

- 3.6 The Applicant shall, prior to the Application, engage a Registered Energy Assessor (**REA**) registered under the Buildings Energy Efficiency Ordinance (Cap. 610) (the **BEEO**) as the Applicant's Qualified Service Provider (the **QSP**), responsible for certifying the detailed scope of the Projects, providing justifications on the cost effectiveness, monitoring of the procurement of capital items, goods and services, supervising the Projects, completing and certifying the project completion reports on compliance with the BEEO. For RCx Projects, QSP should also be a Retro-commissioning Professional registered under the RCx Training and Registration Scheme of Hong Kong Green Building Council.

Procurement of Goods and Services

- 3.7 The Applicant shall be required to comply with the following requirements for procurement of goods or services for the Projects:
- a) The Applicant shall, prior to the Application, have obtained tenders for the Projects for estimation of the Eligible Project Cost (as detailed in Clauses 4.3 to 4.6); but shall not make any award until the receipt of Letter of Approval from HK Electric (as detailed in Clause 5.11);
 - b) The Applicant shall require in the tendering document the suppliers to provide a cost breakdown listing out the unit cost and number of unit of each item related to energy efficiency improvement in their return tenders (the **Valid Tenders**); and
 - c) For the tender process, the Applicant shall observe any applicable provisions in the Code of Practice issued under the Building Management Ordinance (Cap. 344), exercise utmost prudence and adhere to high ethical standards to ensure the fairness of the tender process, and follow the following requirements:
 - i. for every procurement the aggregate value of which exceeds HK\$5,000 but does not exceed HK\$10,000, tender from at least two suppliers shall be obtained;
 - ii. for every procurement the aggregate value of which exceeds HK\$10,000 but does not exceed HK\$200,000, tender from at least three suppliers shall be obtained; and
 - iii. for every procurement the aggregate value of which exceeds HK\$200,000, tender from at least five suppliers shall be obtained.

4. Subsidy Amount

- 4.1 The subsidy amount for the Projects is calculated by multiplying the applicable Subsidy Rate (as detailed in Clause 4.2) by the Net Eligible Project Cost (as detailed in Clauses 4.3 to 4.6), but is capped to the Subsidy Cap (as detailed in Clause 4.7). The subsidy amount vetted, determined and approved by the Vetting Committee in its sole and absolute discretion (the **Approved Subsidy Amount**) shall be final.

Subsidy Rate

- 4.2 The **Subsidy Rate** for each Sub-category of Eligible Buildings is tabulated below:

Sub-category of Eligible Buildings	Subsidy Rate (as a percentage of the Net Eligible Project Cost)
Sub-category 1A	50%
Sub-category 1B	25%
Sub-category 2A	80%
Sub-category 2B	80%
Sub-category 3A	50%
Sub-category 3B	25%
Sub-category 3B*	50%

- a) For an Application of Sub-category 3B Eligible Buildings, if the Total Estimated Annual Energy Saving (kWh) of all the Projects as stated in the respective Application Form is 200,000 kWh or above, which has been verified by the Joint-Pre-project Inspection (as detailed in Clauses 5.5 and 5.6), the buildings under this application will be classified as Sub-category 3B* Eligible Buildings with a Subsidy Rate of 50%.
- b) If in the 5-year period prior to the date of the Application different Projects for the same building/premises/estate/phase/site have received any subsidy amount under the SPBF, Clause 4.2.a is not be applicable.

Net Eligible Project Cost

- 4.3 The **Net Eligible Project Cost** of the Projects is determined by deducting the Project Subsidy/Revenue (as defined in Clause 4.6) from the Eligible Project Cost (as detailed in Clause 4.4).

4.4 The **Eligible Project Cost** of the Projects is the aggregate of the following cost items insofar as they relate to energy efficiency enhancement:

- a) Cost of materials;
- b) Cost of installation, testing & commissioning; and
- c) Service fee of QSP,

provided that:

- i. For Sub-category 3B/3B* Eligible Buildings involving central chiller plant, only the cost items relating to the portion of the central chiller plant output for communal use can be included as Eligible Project Cost on a pro-rata basis;
- ii. For Retrofitting Projects as detailed in Clause 2.1.b.i for all Eligible Buildings (except those in Sub-category 3B/3B*) with Eligible Project Cost (excluding the QSP service fee) of HK\$100,000 or below, the full cost for engaging the QSP will be subsidised, subject to a maximum of HK\$10,000 per Application; and
- iii. The Vetting Committee has the sole and absolute discretion to deem any cost item to be unreasonable and adopt a substitute rate (based on such market rate as may be considered appropriate) to re-determine the Eligible Project Cost.

4.5 To compute Eligible Project Cost, the Applicant shall observe the following:

- a) Eligible Project Cost shall exclude any cost items for operation and maintenance of building services installations, repair/replacement of faulty components, equipment or building services installations, on-going commissioning works of a RCx Project (as detailed in Clause 2.1.b.ii), addition of new building services installations/equipment (e.g. addition of air-conditioners), addition, modification or upgrade of balance-of-plant components which are not related to energy efficiency enhancement (e.g. lift car decoration work, replacement of lift wire rope, etc.), any addition and/or alteration works which do not generate quantifiable energy savings, and additional supervisory/administrative staff for management the Projects; and
- b) The cost items shall be based on the lowest-bid Valid Tenders, or otherwise full justification shall be submitted in the Application for consideration and approval by the Vetting Committee in its sole and absolute discretion.

4.6 The **Project Subsidy/Revenue** of the Projects is the aggregate of the following items, which shall be deducted from the Eligible Project Cost to determine the Net Eligible Project Cost (as illustrated in Schedule 4):

- a) Subsidy or other amounts of a similar nature (including without limitation, amounts from funds or funding schemes administered by the HKSAR Government, but for the avoidance of doubt, excluding subsidy amount under the Application) to fund the Projects (including part of the Projects), whether approved or under application; and
- b) Estimated revenue as may be gained or derived from the Projects (e.g. sale of building services installations to be replaced, etc.).

Subsidy Cap

- 4.7 The maximum subsidy amount for each Sub-category of Eligible Buildings which may be received under the Application (the **Subsidy Cap**) shall be capped to the amount set out in the following table, subject to reduction in accordance with Clause 4.8 (where applicable).

Category of Eligible Buildings	Subsidy Cap (HK\$'000) for Projects covering					
	one building	two buildings	three buildings	four buildings	five buildings	six buildings or more
Sub-category 1A	500	900	1,200	1,400	1,500	1,500
Sub-category 1B [ⓐ]	250	400	400	400	400	400
Sub-category 2A	500	900	1,200	1,400	1,500	1,500
Sub-category 2B	250	N/A	N/A	N/A	N/A	N/A
Sub-category 3A	500	900	1,200	1,400	1,500	1,500
Sub-category 3B	250	400	400	400	400	400
Sub-category 3B*	500	900	900	900	900	900

[ⓐ] Stand-alone ancillary facilities building(s) (as detailed in Schedule 1 Clause 1.a), regardless of the number of such buildings, within the estate/phase/site under the same Application shall all be considered as one building for the computation of the subsidy cap.

- a) For an application of Sub-category 3B Eligible Buildings, if the Total Estimated Annual Energy Saving (kWh) of all the Projects as stated in the respective Application Form is 200,000 kWh or above, which has been verified by the Joint-Pre-project Inspection (as detailed in Clauses 5.5 and 5.6), the buildings under this application will be classified as Sub-category 3B* Eligible Buildings with a Subsidy Cap of \$500,000 for an application covering one building or a Subsidy Cap of \$900,000 for an application covering two buildings or more.

- b) If in the 5-year period prior to the date of the Application different Projects for the same building/premises/estate/phase/site have received any subsidy amount under the SPBF, Clause 4.7.a is not be applicable.
- 4.8 If in the 5-year period prior to the date of the Application different Projects for the same building/premises/estate/phase/site have received any subsidy amount under the SPBF, the Subsidy Cap for the Application shall be reduced by the aggregate of such subsidy amounts, provided that no Application will be processed if the Subsidy Cap falls to zero.
- 4.9 If in the 5-year period prior to the date of the Application different Projects for the same building/premises/estate/phase/site have received any subsidy amount under the SPBF for an application of Sub-category 3B*, the Subsidy Rate and Subsidy Cap for the Application shall be based on both the Subsidy Rate and Subsidy Cap of the Sub-category 3B* (as detailed in Clauses 4.2 and 4.7).

5. Application Process

Application Submission

- 5.1 The Applicant shall make the Application by submitting to HK Electric a duly completed SPBF Application Form (the latest version is available at HK Electric website www.hkelectric.com/SPBF-en) together with the following documents (which HK Electric will issue an **Acknowledge Email** to acknowledge the receipt of the Application):
- a) for identity/eligibility verification purposes, a copy each of valid establishment/registration/incorporation documents of the Applicant if the Applicant is an organisation/company; or a copy of the identify proof of the Applicant if the Applicant is a person (as detailed in Schedule 2);
- b) a copy of Deed of Mutual Covenant (DMC) if the Applicant is the DMC Manager;
- c) for Application in relation of Eligible Buildings (Category 2), if the Applicant is not the landlord of the Eligible Buildings,
- i. a copy of a valid tenancy agreement in relation to the Eligible Buildings, which
- is entered between the Applicant and the landlord of the Eligible Buildings, and
 - imposes no prohibition for the carrying-out of the Projects at the Eligible Buildings;

or

- ii. satisfactory evidence of the written approval of the landlord of the Eligible Buildings for the implementation of the Projects;
- d) a copy of qualification proof of the appointed QSP (as detailed in Clause 3.6);
- e) a copy of general meeting minutes of the corporation/organisation/DMC Manager (in the case of a company), or documentary proof showing the decision of all the owners of building(s), which shall cover the following items:
- i. the consent to carry out the Projects under the Application;
 - ii. the consent to apply for the SPBF; and
 - iii. the resolution for selecting tender for the Projects;
- f) a list of all tenders received for the Projects under the Application together with the following documents:
- i. a copy of tender specification and requirements;
 - ii. a copy of the selected tender for the Projects (as detailed in Clauses 5.1.e)iii) under the Application with detailed price schedule covering cost breakdowns of materials and installation, testing & commissioning (as detailed in Clauses 2.1.b and 3.7.b); and
 - iii. tender assessment report;
- g) a copy of contract or documentary proof for the appointment of the QSP with the respective service fee (as detailed in Clauses 3.6 and 4.4);
- h) documentary proof for the Project Subsidy/ Revenue (as detailed in Clause 4.6); and
- i) additional details of the Projects as deemed necessary, such as equipment catalogue, schematic diagram etc.

5.2 HK Electric will not process the Application in the following circumstances:

- a) If the SPBF Application Form is not duly completed, or any supporting document as detailed in Clause 5.1 or otherwise required by HK Electric is incomplete;
- b) If any document which requires signing by the Applicant is not signed with the required authorised signature and official chop; and/or

- c) If the Applicant fails to comply with the requirements set out in Clause 3.
- 5.3 A completed Application Form together with all the required documents can be submitted to HK Electric by email to **SPBF@hkelectric.com**. Please mark **"Application for Smart Power Building Fund (Name of building/premises)"** in the email subject.
- 5.4 Based on the date and the time of receipt of the Application (i.e. the date and time of receipt by HK Electric's email server) confirmed in the Acknowledge Email, Application will be processed on a first-come-first-served basis until the funding of the SPBF is used up.

Joint Pre-project Inspection

- 5.5 Upon satisfactory preliminary assessment by HK Electric of the documents submitted under the Application, HK Electric and an Authorised Person shall jointly conduct an on-site pre-project inspection or an online pre-project inspection if considered necessary by HK Electric (the **Joint Pre-project Inspection**) and such Authorised Person shall sign with official chop on the **Pre-project Inspection Form**, to confirm and/or verify such matters arising out of the Joint Pre-project Inspection in such form as may be required by HK Electric. The scope of Joint Pre-project Inspection shall include but not limited to recording (e.g. by taking photo and/or video) of the conditions and particulars of the Eligible Building and the existing equipment (if applicable) related to the Projects.
- 5.6 If considered necessary by HK Electric, the Applicant shall revise the information contained in the Application and/or provide additional information to reflect the actual site conditions based on the Joint Pre-project Inspection. HK Electric may require further Joint Pre-project Inspection(s) to confirm such revised or additional information.
- 5.7 The Application will be terminated automatically if the Joint Pre-project Inspection(s) cannot be completed to HK Electric's satisfaction within 6 months from the date of receipt of the SPBF Application Form, as stated in the Acknowledge Email (as detailed in Clause 5.1).

Vetting by the Vetting Committee

- 5.8 The Vetting Committee vets the Applications which have completed the Joint-Pre-project Inspections on a regular basis. It has the sole and absolute discretion to approve, suspend or reject the Application, and determine and approve the Approved Subsidy Amount (as detailed in Clause 4.1), and its decision shall be final. If considered necessary by the Vetting Committee, HK Electric may request the Applicant to provide clarification or supplementary information for the vetting process.
- 5.9 The Vetting Committee will assess the following, as well as other factor(s) it may consider to be relevant, in its decision on the Application:

- a) whether the Projects contribute to energy saving;
 - b) whether the Projects are non-profit making in nature;
 - c) whether the Projects are cost effective and reasonable in energy saving aspects;
 - d) whether the implementation schedule of the Projects is well-planned, practicable and reasonable; and
 - e) whether the costs of Projects are reasonable, realistic and justifiable.
- 5.10 Subject always to the Vetting Committee's sole and absolute discretion, priority will in general be given to Applications meeting one or more of the following circumstances (which are not listed in any order of priority):
- a) building owners have limited resources and lack in-house technical expertise in handling energy efficiency enhancement projects;
 - b) the buildings are single-block residential buildings or composite buildings under multi-ownership, with substantial portions for residential use;
 - c) building owners are referred by District Councils, non-profit-making NGOs or green groups;
 - d) the buildings are of an age of 40 years or above;
 - e) the Application is a first time application under the SPBF;
 - f) building owners do not have access to and/or have not applied for any other subsidy funding for the Projects; or
 - g) energy audit or similar assessment has been conducted on the communal area of the buildings.

Letter of Approval

- 5.11 The Applicant will normally be notified of the decision of the Vetting Committee within 3 months after the completion of all Joint Pre-project Inspection(s) and the satisfactory receipt of all required information by HK Electric. If the Application is approved by the Vetting Committee, the notification letter (the **Letter of Approval**) will be given by HK Electric to the Applicant, which sets out the in-principle approval of the Application, the Approved Subsidy Amount and other information, including, but not limited to, the following:
- a) the name of the Applicant;
 - b) the name, address and category of Eligible Buildings under the Application;

- c) the summary of approved Projects;
- d) the Net Eligible Project Cost (as detailed in Clause 4);
- e) the approved Subsidy Rate, Subsidy Cap, and the Approved Subsidy Amount (as detailed in Clause 4);
- f) the end dates of validity periods (the **Validity Periods**) on or before which the Applicant is required to achieve certain project stage as set out below, failing which the Subsidy Agreement (as defined in Clause 6) may be terminated and/or disbursement of all or part of the Approved Subsidy Amount may be suspended/cancelled.

Project Stage	Validity Period
Project commencement	6 months, counting from and including the date of Letter of Approval
Project completion	24 months, counting from and including the date of Letter of Approval
Submission of Project Completion Report	3 months, counting from and including date of Project Completion

- 5.12 A **Number of Buildings Verification Sheet** will also accompany the Letter of Approval for the Authorised Person to sign with official chop to certify the number of buildings covered in the Projects.
- 5.13 The Applicant shall return the original duly completed and signed (with official chop) Number of Buildings Verification Sheet to HK Electric within 30 days from the date of the Letter of Approval. HK Electric reserves the right to cancel the Subsidy Agreement (as defined in Clause 6) and terminate the Application if the Applicant fails to return the completed Number of Buildings Verification Sheet within the deadline, or the Number of Buildings Verification Sheet returned is incomplete or is without an authorised signature and official chop.
- 5.14 If considered necessary by HK Electric, the existing electricity account meter(s) at the Eligible Buildings will be replaced by HK Electric for taking higher-resolution electricity consumption data for verification of the energy efficiency enhancement effectiveness of the Projects. The Applicant shall allow and provide such provisions (including without limitation, allowing or procuring to allow temporary suspension of electricity when necessary) as may be required by HK Electric to facilitate the metering replacement work.

6. The Subsidy Agreement

- 6.1 The Letter of Approval, this Guide (as may be revised from time to time), the Application and the documents submitted by the Applicant under the Application shall altogether constitute the Subsidy Agreement under the SPBF (the **Subsidy Agreement**) between HK Electric and the Applicant. In case of any inconsistency, the Letter of Approval shall prevail over all other documents and this Guide shall prevail over all other documents except the Letter of Approval.

7. Contract Award and Project Commencement

- 7.1 The Applicant shall only award the contract(s) for the approved Projects:
- a) after receiving the Letter of Approval from HK Electric, and shall commence the approved Projects on or before the end date of the relevant Validity Period indicated in the Letter of Approval; and
 - b) to the lowest-bid Valid Tenders or such other tenders as approved by the Vetting Committee (as detailed in Clause 4.5.b), on which the Net Eligible Project Cost and the Approved Subsidy Amount are based.
- 7.2 If the Applicant proposes to award the contract(s) to any tender other than the tender referred to in Clause 7.1.b, full justification shall be submitted to HK Electric to obtain its prior written approval. HK Electric reserves the right to refer the proposal to the Vetting Committee for further vetting and approval. The Applicant should note that, in any case, the Approved Subsidy Amount will not be adjusted upwards.
- 7.3 Expenditures of each Project, except the service fee of the QSP engaged for the Projects and the retention money during the defect liability period of the Projects, shall be incurred between the date of the Letter of Approval and the completion date of the Projects (as detailed in Clause 8.1) and originals or copies of invoices and receipts of such expenditures shall be retained as documentary proof.
- 7.4 Within one month after the awarding of contract(s) for the Projects, the Applicant shall submit a copy of the contract(s).

8. Project Completion

- 8.1 The Applicant shall complete the approved Projects on or before the end date of the relevant Validity Period indicated in the Letter of Approval. For the avoidance of doubt, the completion date of a number of Projects shall be the date of commissioning of the last of the Projects.
- 8.2 Upon the completion of the Projects, the Applicant shall submit to HK Electric a **Project Completion Report** (a sample is available at HK Electric's website for

reference) on or before the end date of the relevant Validity Period indicated in the Letter of Approval. The Project Completion Report shall be certified by the QSP and signed with official chop by an Authorised Person, and shall contain details including, but not limited to, the following:

- a) a copy each of the **Proofs of the Actual Costs** for the completed Projects as detailed below:
 - i. The Proofs of the Actual Costs shall be the official payment receipts each with the name, contact and the official chop of the respective supplier; invoices, delivery notes and their copies alone, whether paid or not, will not be accepted as a Proof of the Actual Costs;
 - ii. Each official payment receipt shall be provided with the date of receipt and the cost breakdown related to the completed Projects; and
 - iii. If any official payment receipt does not have the supplier's name, contact, official chop or cost breakdown, the Applicant shall provide as a substantiation either the invoice, delivery note, payment transaction record, contract or purchase order with the corresponding supplier's official chop and clearly written/printed with the corresponding supplier's name and contact, and cost breakdown;
- b) details of a bank account under the name of Applicant or opened under Section 3 of Schedule 7 of the Building Management Ordinance, Cap. 344, as authorised by the Applicant (the **Payment Bank Account**) including a copy of the bank book/statement of the bank account, which the subsidy amount will be disbursed to (as detailed in Clause 9.1);
- c) For buildings with multi-ownership, a copy of general meeting minutes of owners' corporation/owners' organisations/residents' organisations, or a copy of meeting minutes of DMC Manager (in case of a company) or documentary proof, which shows the substantiation for the change of the Owners' Corporation/Owners' or Residents' Organisation Chairperson in relation to the Application (if applicable);
- d) the energy saving calculations for the Projects;
- e) additional details of the Projects as deemed necessary, such as a copy of "Use Permit" of lift installation, equipment catalogue, schematic diagram etc.; and
- f) a copy of the approval letter of the Lift Modernisation Subsidy Scheme (LIMSS) operated by the Urban Renewal Authority, which shows the approved subsidy amount of the approved Projects (if applicable).

8.3 Upon submission of the Project Completion Report to HK Electric, HK Electric (or its designated service provider) and an Authorised Person shall jointly conduct an

on-site post-project inspection (the **Joint Post-project Inspection**) to verify the information submitted is true and accurate, and the Projects completed are in line with Projects stated in the Letter of Approval. The Authorised Person shall sign with official chop on the **Post-project Inspection Form** to confirm and/or verify such matters arising out of the Joint Post-project Inspection and/or the Project Completion Report in such form as may be required by HK Electric.

- 8.4 HK Electric may, if it considers desirable or necessary, require the Applicant to revise the Project Completion Report and/or include additional information in the Project Completion Report for re-submission.
- 8.5 Following satisfactory completion of the Joint Post-project Inspection, the Applicant shall submit to HK Electric an **Energy Saving Project Verification Sheet(s)** signed by an Authorised Person with official chop.

9. Disbursement of Subsidy

- 9.1 Upon satisfactory completion of all the post-completion requirements under Clause 8, HK Electric will arrange to disburse the subsidy amount to the Payment Bank Account (as detailed in Clause 8.2.b), on a reimbursement basis for the items covered by the Eligible Project Cost approved by the Vetting Committee with the following adjustments (if applicable) to the subsidy amount. For the avoidance of doubt,
- a) the Applicant shall be required to first settle all cost items from its own funds, and the subsidy amount will be based on such cost items actually paid, subject always to the maximum of the Approved Subsidy Amount. If the amounts actually paid by the Applicant are lower than the cost items covered by the Eligible Project Cost approved by the Vetting Committee, the subsidy amount to be disbursed by HK Electric will be correspondingly adjusted downwards;
 - b) the Project Subsidy/Revenue (as detailed in Clause 4.6 and illustrated in Schedule 4) shall always be deducted from the Eligible Project Costs (where applicable, as adjusted under Clause 9.1.a), regardless of whether it is actually received or not by the Applicant;
 - c) HK Electric shall not be required to disburse any Approved Subsidy Amount for any partially completed Project, unpaid cost items of the Project or equipment which has not been installed/commissioned;
 - d) for an Application with Sub-category 3B* Eligible Buildings as stated in the Letter of Approval, if the Total Estimated Annual Energy Saving (kWh) of all the Projects under this Application as stated in the Project Completion Report (with the Joint Post-project Inspection completed according to Clause 8) is below 200,000 kWh, the subsidy amount shall be determined based on the

Subsidy Rate and Subsidy Cap of Sub-category 3B (as detailed in Clauses 4.2 and 4.7); and

- e) If the Applicant has made any payment(s) in relation to the Projects, except the service fee of the QSP engaged for the Projects, before the receipt of Letter of Approval from HK Electric, such payment(s) shall always be deducted from the Net Eligible Project Costs.

9.2 To ensure the Projects are implemented in accordance with the Subsidy Agreement, HK Electric and/or the HKSAR Government shall have the right to conduct site checks at any time within 2 years after the date of the satisfactory completion of the Joint Post-project Completion Inspection. The Applicant shall not relocate, resell or decommission any equipment or other materials installed pursuant to the Projects under the Subsidy Agreement within such 2-year period, without the prior written approval of HK Electric in its sole and absolute discretion.

10. Termination of Application/Subsidy Agreement

10.1 After making the Application and prior to the receipt of the Letter of Approval from HK Electric, the Applicant may terminate the Application without giving reasons by serving HK Electric a prior written notice with an authorised signature and official chop, supported by documentary proof of the type set out in Clause 5.1.e covering such decision.

10.2 After the receipt of the Letter of Approval from HK Electric and before the disbursement of any subsidy, the Applicant may terminate the Subsidy Agreement by serving HK Electric a prior written notice with an authorised signature and official chop, supported by documentary proof of the type set out in Clause 5.1.e covering such decision.

10.3 HK Electric shall have, in its sole and absolute discretion, the right to suspend the disbursement of any or part of subsidy amounts if the Applicant fails to comply any requirement for the Application/Subsidy Agreement which it considers to be non-material and is capable of being remedied, in which case HK Electric will by written notice notify the Applicant the time limit within which the non-compliance shall be remedied.

10.4 In addition to termination under Clause 5.7, HK Electric may by written notice to the Applicant terminate the Application/ Subsidy Agreement and/or cancel the disbursement of the Approved Subsidy Amount if the Vetting Committee considers in its sole and absolute discretion:

- a) the Applicant is in breach of any material term of the Subsidy Agreement, including without limitation any failure to meet the eligibility criteria under Clause 2, or any fraudulent acts or omissions by the Applicant under the Application or the Subsidy Agreement, or any breach of or failure to meet

the obligation of the Applicant under Clauses 3, 5.13, 7.1, 7.4, 8, 9.1, 9.2 and 11.2;

- b) the Applicant becomes bankrupt or insolvent, or an application is made for the bankruptcy, liquidation or receivership of the Applicant;
- c) any electricity account associated with the Projects is terminated; or
- d) the Applicant fails to remedy any non-compliance within the time limit stipulated by HK Electric under Clause 10.3.

10.5 Upon the termination of the Application/Subsidy Agreement under Clause 10.2 or 10.4, then in addition to its rights under the Subsidy Agreement and other rights in law:

- a) HK Electric shall have no obligation to disburse any subsidy amount to the Applicant, regardless of whether the Applicant has committed or paid any Eligible Project Costs;
- b) HK Electric shall have the right to recover all subsidy amounts already disbursed to the Applicant, and
- c) HK Electric may refrain the Applicant from re-applying for the SPBF.

11. Responsibilities and Limitation of Liability

11.1 At all times the Applicant shall be solely and fully responsible for all matters in relation to the approved Projects, and any materials to be installed and commissioned under the Projects shall be the Applicant's property and under the Applicant's risk and custody. The Applicant's responsibilities shall include, among other things, ensuring that the design, procurement, installation, operation and maintenance of the approved Projects comply with all applicable laws, regulations, codes of practice, guidelines, safety and technical requirements from time to time. Whenever applicable, the building services installation(s) under an approved Projects shall comply with BEEO and, in particular, the corresponding energy efficiency performance shall be equivalent or better than the respective energy efficiency standards stipulated in the BEEO effective at the time of submitting the Application.

11.2 It is also the Applicant's responsibility to avoid actual or perceived situations where personal interests compete or conflict with the interests of the Projects or may lead to a conflict of interest in the Application. HK Electric strictly prohibits anyone from offering, soliciting or accepting bribes or acting as an intermediary for a third party in the solicitation, acceptance, payment or offer of a bribe or kickback. The Applicant shall not, and procure no other related parties, solicit or offer advantages in any form to staff of HK Electric or members of the Vetting Committee in connection with the Application or the Subsidy Agreement.

- 11.3 HK Electric shall have no responsibility in relation to the approved Projects, whether to the Applicant or any other party, other than to disburse the Approved Subsidy Amount in accordance with the Subsidy Agreement. Save to such extent, under no circumstances shall HK Electric be liable (whether monetary or otherwise) for:
- a) any loss or damage relating to and/or arising out of the Projects, building(s) at where the Projects are located of whatsoever nature and howsoever arising, and regardless of whether the Application is approved or not;
 - b) any loss or damage to any third person; or
 - c) any indirect or consequential or economic loss, or loss of revenue, profit or data.

12. Data Protection and Information Disclosure

- 12.1 The Applicant shall, and shall procure all necessary parties to, consent to HK Electric to:
- a) disclose the name and address of the building(s) under the Application and/or the Subsidy Agreement to administrators of other fund/loan schemes to verify against false information and/or double benefit;
 - b) use the data and information submitted in the Application (including without limitation technical details, costs and photos of the Projects) and/or disclose those data and information to the HKSAR Government; and
 - c) publish the information related to the building(s) and Projects (including energy savings) under the Subsidy Agreement in HK Electric's publicity/communication materials, whether for internal or external readership, in printed, electronic and digital channels such as leaflets, brochures, posters, banners, videos, interviews, advertisements, websites, mobile phone applications, etc.
- 12.2 HK Electric and/or the HKSAR Government may at their discretion verify the data and information provided by the Applicant for compliance with relevant laws and regulatory purposes under its 2019-2033 Scheme of Control Agreement. Upon request, the Applicant shall provide additional data/information and/or provide evidence to HK Electric to prove the accuracy and authenticity of the data and information submitted by the Applicant. The Applicant shall consent to HK Electric and HKSAR Government to carry out site inspection(s) for verification purposes.
- 12.3 The Applicant shall be at liberty to disclose that the Projects are financially supported by HK Electric under the SPBF, but shall not use the logos of HK Electric and the SPBF unless prior written consent has been obtained. In any case, under no circumstances shall the Applicant use or refer to the names of HK Electric and

the SPBF, either in full or abbreviation, and use their logos for commercial publicity or in such circumstances or context which may harm the image of HK Electric and/or expose it to any liability.

- 12.4 The Applicant shall ensure that a valid consent has been obtained from the Applicant's Representative, Person-in-charge, the QSP, the contractors and tenderers before transferring their particulars and contact information to HK Electric. In addition to its obligations under Clause 3.5, it is the Applicant's responsibility to notify HK Electric from time to time any update to the contact information of the Applicant, the Applicant's Representative, the Person-in-charge, the QSP, the contractors and the tenderers.

13. General

- 13.1 The Applicant cannot transfer the Application or assign the Subsidy Agreement to a third party. The Subsidy Agreement shall be binding on the parties and their respective successors and assigns.
- 13.2 The Applicant shall be fully liable for the acts or omissions of the Applicant's agents, suppliers, contractors and tenderers, including without limitation the Authorised Persons and the QSP, as if they were the Applicant's own acts or omissions.
- 13.3 A term or condition of the Subsidy Agreement may not be waived by HK Electric except in writing.
- 13.4 The Subsidy Agreement shall be governed by and construed in accordance with the laws of HKSAR. Each of the parties irrevocably submits to the exclusive jurisdiction of the courts of HKSAR.
- 13.5 A person that is not a party to the Subsidy Agreement has no right (including by way of any exercise or purported exercise of any statutory rights available to such third party under the Contracts (Rights of Third Parties) Ordinance) to enforce or enjoy the benefit of any term of the Subsidy Agreement.
- 13.6 In case of conflict or discrepancies, the English version of this Guide shall prevail over the Chinese version.

- END -

SCHEDULE 1 – CATEGORIES AND SUB-CATEGORIES OF ELIGIBLE BUILDINGS

1. Category 1 Buildings

Residential buildings or composite buildings with substantial portions for residential use (i.e. at least 60% of the storeys of the composite building(s) are for residential use) under multi-ownership. Category 1 Buildings comprises the following two sub-categories.

- a) Sub-category 1A Buildings are Category 1 Buildings without any following ancillary facilities at the buildings, respective building complexes/estates, which include but not limited to:
- i. swimming pool;
 - ii. clubhouse with sport, recreation or leisure facilities; and
 - iii. car park with more than one storey solely for the use of residents.

Whether buildings under Category 1 Buildings are with or without ancillary facilities are solely determined by HK Electric and the Vetting Committee.

- b) Sub-category 1B Buildings are Category 1 Buildings other than Sub-Category 1A Buildings.

2. Category 2 Buildings

Category 2 Buildings comprises the following two sub-categories.

- a) Sub-category 2A Buildings include:
- i. Buildings for education, community or welfare service operated by non-profit-making NGOs which are either members of The Hong Kong Council of Social Service, or organisations providing subvention services under the Social Welfare Department of the HKSAR Government;
 - ii. Buildings which are used as kindergartens, primary schools or secondary schools, except government schools, as published on the website of Education Bureau of the HKSAR Government (the **EDB**) as at the time of the Application;
 - iii. Buildings for education which are operated degree-awarding higher education institutions as published on the website of EDB as at time of the Application; and

- iv. Buildings which are wholly used as student facilities associated with the kindergartens, primary schools or secondary schools referred to Sub-clause ii above, or degree-awarding higher education institutions under Sub-clause iii above.

- b) Sub-category 2B Buildings are premises which are building floor(s) and/or unit(s) of a building and operated by NGOs solely/mainly for provision of education, community or welfare services for communal use (such as NGO-operated senior care and nursing homes, special schools, childcare centres, sheltered workshops and rehabilitation centres, etc.), and for the avoidance of doubt, exclude premises solely/mainly for NGOs' administration and other internal uses.

3. Category 3 Buildings

Buildings other than those under Category 1 Buildings and Category 2 Buildings are classified as Category 3 Buildings. Category 3 Buildings comprises the following two sub-categories.

- a) Sub-category 3A Buildings are non-residential buildings with multi-ownership and without central air-conditioning facilities.

- b) Sub-category 3B Buildings are Category 3 Buildings other than Sub-Category 3A Buildings.

- END -

SCHEDULE 2 – APPLICANTS ELIGIBLE TO APPLY FOR SPBF FOR EACH CATEGORY OF ELIGIBLE BUILDINGS

The following entities are eligible to apply for the SPBF for each category of Eligible Buildings:

1. Category 1 Buildings

- a) the Owners' Corporation (registered under the Building Management Ordinance (Cap. 344));
- b) the owners' organisation (e.g. Owners' Committee);
- c) the residents' organisation (e.g. Mutual Aid Committee);
- d) if without aforementioned owners' corporations/organisations, the person or company specified in the DMC of a building to manage the building (the **DMC Manager**); or
- e) an owner as a representative for all the owners of a building without corporations/organisations or DMC Manager above, who has a written authorisation of all the owners of the building.

2. Category 2 Buildings

The NGO, kindergarten, primary school, secondary school or degree-awarding higher education institution operating at the Eligible Buildings, provided that if the Applicant is not the owner of the Eligible Buildings, the Applicant shall, prior to the Application, have obtained the written approval of the owner of the Eligible Buildings to implement the Projects and to apply for SPBF and provides satisfactory evidence of such approval at the time of making the Application (as detailed in Clause 5.1.c).

3. Category 3 Buildings

- a) For any building with multi-ownership,
 - i. the Owners' Corporation (registered under the Building Management Ordinance (Cap. 344));
 - ii. the owners' organisation (e.g. Owners' Committee);
 - iii. if without aforementioned owners' corporations/organisations, the DMC Manager; or

- iv. an owner as a representative for all the owners of a building without owners' corporations/organisations or DMC Manager above, who has a written authorisation of all the owners of the building.
- b) For any building with single ownership, its owner.

- END -

SCHEDULE 3 – CRITERIA FOR PERSON-IN-CHARGE

The Applicant may designate and authorise one of the following persons (who has to be a natural person) to be the Applicant's Person-in-charge:

- a) the owner of the Eligible Buildings (for buildings with single ownership);
- b) the chairperson/director of the Applicant's organisation;
- c) an owner as a representative for all the owners of the building (for a building with multi-ownership but without any owners' corporations/organisations or DMC Manager);
- d) a representative of the Applicant's organisation;
- e) a representative of the property management company of the building(s)/premises under the Application; or
- f) the QSP engaged by the Applicant.

- END -

SCHEDULE 4 – EXAMPLE OF SUBSIDY ADJUSTMENT

In accordance with Clause 9.1, Project Subsidy/Revenue of the Projects (including part of the Projects), whether approved or under application, regardless of whether it is actually received or not by the Applicant, shall be deducted from the Eligible Project Costs to determine the Net Eligible Project Cost. An example of deduction of Project Subsidy from the Eligible Project Cost and calculation of the adjusted subsidy amount is provided below.

Example (Sub-category 1A Application)	Amount (HK\$)
Total Project Cost	\$1,000,000
Cost of Energy Efficiency Enhance Project (i.e. Eligible Project Cost) Approved by the Vetting Committee	\$400,000
Approved Subsidy Amount [= \$400,000 × 50%]	\$200,000
Project Subsidy (other than that under the SPBF)	\$500,000
Project Subsidy for Energy Efficiency Enhance Projects (pro rata) [= \$500,000 ÷ \$1,000,000 × \$400,000]	\$200,000
Net Eligible Project Cost [= \$400,000 - \$200,000]	\$200,000
Adjusted Subsidy Amount to be Disbursed [= Net Eligible Project Cost (i.e. \$200,000) × 50%]	\$100,000

- END -