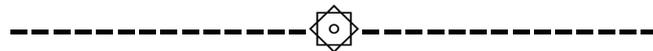
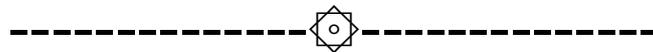




CLP ECO BUILDING FUND



Guide to Application



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1. INTRODUCTION

Promoting energy efficiency and conservation is one of the effective ways to combat climate change and pursue sustainability. By improving the energy efficiency of our buildings, we not only reduce our energy costs but also help create a more sustainable city.

CLP Power Hong Kong Limited (**CLP**) is fully committed to the promotion of energy efficiency and have established the CLP Eco Building Fund (**the Fund**) since 2014 to provide financial assistance to eligible residential buildings and their nearby ancillary facilities (e.g. clubhouse, podium, property management office) to implement energy efficiency improvement works for communal areas. From 1 October 2018 onwards, the scope of the Fund has been extended to cover eligible commercial buildings, industrial buildings and composite buildings and their nearby ancillary facilities.

1.1. Purpose of this Guide

This document explains in detail how qualified parties can apply for funding of energy-efficiency enhancement projects (**Projects**) involving a building under their care. It also describes the basic responsibilities of applicants and recipient organisations / recipients.

Upon funding approval of a particular Project by CLP or by the CLP Eco Building Fund Vetting Committee (**Vetting Committee**), recipient organisations / recipients will sign an agreement (**Funding Agreement**) with CLP, undertaking to observe the terms and conditions of use of the allocated grant.

1.2. Scope of Funding

The Fund aims to subsidise residential buildings, commercial buildings, industrial buildings and composite buildings and their nearby ancillary facilities by carrying out retrofitting projects for improving energy efficiency in communal areas.

The energy efficiency improvement retrofitting projects may include any of the following building services installations designated for communal use in the building:

- Lighting
- Air-conditioning
- Lift and escalator
- Electrical (e.g. water pump and etc.)

Despite retrofitting projects, the following energy efficiency improvement projects will also be supported by the Fund:

- Retro-commissioning
- Implementation of smart / IT technologies

2. APPLICATION PROCESS

2.1. Eligibility

- 2.1.1. The buildings with multi-ownership and the following entities (**Applicant Organisation**) are eligible to apply for the Fund:
- Owners' Corporations registered under the Building Management Ordinance (Cap. 344)
 - Owners' organisations (e.g. Owners' Committee)
- 2.1.2. For the commercial buildings, industrial buildings or composite buildings without Owners' Corporation or other Owners' organisations as specified in paragraph 2.1.1, the owner (**Applicant**) may also apply for the Fund.
- 2.1.3. Under special circumstances, the Applicant can be non-building owner, e.g. property management company, provided that written consent from the building owner(s) or proof of authorisation to handle the building related matters can be provided. The Applicant may provide an electricity account registered from relevant communal areas of the building for funding disbursement through billing credit, subject to approval by CLP / Vetting Committee.
- 2.1.4. Multiple applications from the same Applicant Organisation / Applicant are allowable. Different applications shall cover different types of project or different parts of the buildings.
- 2.1.5. The following buildings are not eligible to apply for funding:
- Buildings located outside CLP's supply area
 - Buildings directly owned and operated by the Government (e.g. Government offices)

2.2. Eligible Building

- Residential building
- Commercial building
- Industrial building
- Composite building

2.3. Priority

Priority will be given to buildings fulfilling the following criteria:

- a) To implement Projects with higher energy saving cost effectiveness;
- b) To implement retrofitting works in compliance with Building Energy Efficiency Ordinance (Cap. 610);
- c) Conducted an energy audit or similar assessment / applied for “Comprehensive Scheme or Energy Use Aspect of Selective Scheme” under BEAM Plus Scheme;
- d) Buildings with multi-ownership;
- e) Building age;
- f) Good history of previous applications;
- g) New technology demo project or showcase project which will allow public visits;
- h) New installations equipped with systems / technologies which can contribute significant additional energy saving, e.g. Variable Speed Drive (VSD), inverter, or equivalent technologies;
- i) In addition to item h) above, systems / technologies bundled with voltage dip ride-through or auto restart function.

(See paragraph 2.11. for more details)

2.4. Funding Mechanism

The amount of funding for retrofitting projects will be around 30% to 50% of the actual project expenditure, depending on the type of installation and project duration of whole project completion. Project expenditure shall restrict to the cost of energy efficiency installations and, if Qualified Service Provider is appointed, its service charge. Funding will also be provided to support the service charge of Energy Saving Facilitator (if applicable) (see paragraph 2.10.1 for more details of Energy Saving Facilitator).

The amount of funding for retro-commissioning and implementation of smart / IT technologies will depend on the amount of the energy saving and project duration of whole project completion, plus the funding to the service charge of Energy Saving Facilitator (if applicable). The more energy the project will save and the sooner the whole project will be completed, the more funding will be granted.

Under the circumstances that the information provided in the application form and the associated supporting documents submitted by the Applicant Organisation/Applicant are insufficient for approval of the application, **Acceptance of Application** shall be granted on a condition that essential

information has been provided and site verification has been satisfied. **Final Funding Approval** will be subsequently granted when all the required information has been submitted by the Applicant Organisation/Applicant.

The whole Project must be completed no later than 24 months from the date of receiving Acceptance of Application or Final Funding Approval, whichever is earlier. If the whole Project could be completed within 12 months, higher amount of funding can be granted. Please refer to Table 2.4 for details.

Funding will be disbursed on a reimbursement basis; that is to say, the recipient organisation / recipient must settle the payment on its own before seeking reimbursement from the Fund.

For the retrofitting project with expenditure of HK\$100,000 or below (excluding the cost of engaging Qualified Service Provider), full subsidy will be provided to the cost of engaging Qualified Service Provider for the project, subject to a ceiling of HK\$10,000 and approval from CLP / the Vetting Committee.

Project Category	Sub-Category	Funding Rate or Percentage	Funding Ceiling ^{(3), (4), (5)}
Retro-commissioning or implementation of smart / IT technologies	Whole project duration ≤ 12 months	HK\$1.0/kWh Energy Saving (one year) or 100% Project Cost, whichever is lower ⁽¹⁾	HK\$300,000/building/year
	Whole project duration > 12 months and ≤ 24 months	HK\$0.8/kWh Energy Saving (one year) or 100% Project Cost, whichever is lower ⁽¹⁾	
Retrofitting Project with Higher Energy Efficiency	Whole project duration ≤ 12 months	50% ⁽²⁾	HK\$500,000/building/year for chiller replacement with Variable Speed Drive (VSD) equipped new chiller; otherwise, HK\$300,000/building/year
	Whole project duration > 12 months and ≤ 24 months	40% ⁽²⁾	
Retrofitting Projects with Lower Energy Efficiency	Typical LED-to-LED Lighting ⁽⁶⁾ , Unitary Air-conditioner and Ventilation Equipment, etc.	30% ⁽²⁾	HK\$100,000/building/year
	Lift, Escalator or Pump	30% ⁽²⁾	HK\$30,000/building/year

Note:

⁽¹⁾ Funding amount is calculated based on energy saving (for one year only) generated by the project or the project cost (energy efficiency parts only plus cost of Qualified Service Provider, if engaged), whichever is lower, plus the funding to the service charge of Energy Saving Facilitator (if applicable). Please see paragraph 2.10.1 for the details of the funding to the service charge of Energy Saving Facilitator. The funding amount calculation under special circumstances as mentioned in above (1) is also applicable.

⁽²⁾ Funding amount is at a percentage of the project expenditure (energy efficiency parts only plus cost of Qualified Service Provider, if engaged), plus the funding to the service charge of Energy Saving Facilitator (if applicable). Please see paragraph 2.10.1 for the details of the funding to the service charge of Energy Saving Facilitator. **Please note that under special circumstances that tendering bids or quotations cannot be provided by Applicant Organisation / Applicant, the funding amount will be calculated based on energy saving (for one year only) generated by the project as illustrated below, provided that Applicant Organisation / Applicant can declare that the subsidy amount shall not exceed the project cost under any circumstances:**

<u>Whole Project Duration</u>	<u>Funding Amount</u>
≤ 12 months	HK\$0.8/kWh Energy Saving (one year) or 100% Project Cost, whichever is lower
> 12 months and ≤ 24 months	HK\$0.6/kWh Energy Saving (one year) or 100% Project Cost, whichever is lower

⁽³⁾ Each Applicant Organisation / Applicant will be entitled an annual ceiling of 5% of annual total available funding from the Fund.

⁽⁴⁾ Each Application will be subject to a funding cap amount of HK\$1,000,000.

⁽⁵⁾ If Applicant Organisation / Applicant applies funding for projects with respect to both “Retrofitting Project with Higher Energy Efficiency & Retro-commissioning or implementation of smart / IT technologies” and “Retrofitting Project with Lower Energy Efficiency” in a same calendar year, the funding to projects with respect to “Retrofitting Project with Lower Energy Efficiency” will be absorbed under funding ceiling for “Retrofitting Project with Higher Energy Efficiency & Retro-commissioning or implementation of smart / IT technologies”.

⁽⁶⁾ Typical LED-to-LED Lighting Retrofitting Project refers to the LED lighting efficacy within 130 lumens/watt after replacement.

Table 2.4 – Funding Amount

2.5. Examples

- 2.5.1. An eligible application with respect to implementing higher energy efficiency retrofitting project from residential buildings, commercial buildings, industrial buildings or composite buildings and covering 1 building is subject to a funding limit of 1 times HK\$300,000 per year. An application covering 2 buildings is subject to the funding limit of 2 times HK\$300,000 per year. An application covering 4 or more buildings is subject to the funding limit of HK\$1,000,000 per year.
- 2.5.2. The funding limit per building per year also covers ancillary facilities that physically form part of that building, e.g. a clubhouse. Thus, for an application with respect to implementing higher energy efficiency retrofitting project from residential buildings commercial buildings, industrial buildings or composite buildings and covering 1 building with in-house ancillary facilities, the funding limit is 1 times HK\$300,000 per year.
- 2.5.3. In the case of the buildings with nearby ancillary facilities that do not physically form part of them, e.g. a clubhouse, the facilities, if they are stand-alone, will be considered as a separate building and the funding for those facilities, is subject to an individual cap. However, all the stand-alone ancillary facilities shall be considered as a single building. Thus, for an application with respect to implementing higher energy efficiency retrofitting project from residential buildings, commercial buildings, industrial buildings or composite buildings and covering 1 building with 1 stand-alone nearby ancillary facility, the maximum allowable funding is 2 times HK\$300,000 per year. For an application with respect to implementing higher energy efficiency retrofitting project from residential buildings, commercial buildings, industrial buildings or composite buildings and covering 1 building with 2 stand-alone nearby ancillary facilities, the maximum allowable funding is also 2 times HK\$300,000 per year.
- 2.5.4. For a project (e.g. a lift project) involves 3 parts, including:
- (i) replacement of equipment with energy efficiency improvement (e.g. replacement of high efficiency motors);
 - (ii) replacement of equipment without energy efficiency improvement (e.g. replacement of lift cars); and

(iii) new installation of equipment / system which would facilitate energy saving to the existing installation / operation (e.g. installation of a new group control system of lifts).

The funding will be calculated separately, where (i) will be treated as retrofitting; (ii) will NOT be eligible for funding; and (iii) will be considered as retro-commissioning. However, the funding ceiling will be considered collaboratively, as elaborated in Note (5) of Table 2.4.

2.5.5. Similar funding calculation is applied to all project types shown in Table 2.4 except for the different funding limits referred.

2.5.6. Under special circumstances that certain criteria have been achieved by certain project, the maximum allowable funding will be increased. Please refer to Table 2.4 for details.

2.5.7. In view of the complicated building infrastructure in Hong Kong, CLP / the Vetting Committee will consider eligibility and funding limits on a case-by-case basis, should there be applications that fall outside the above categories.

2.6. Project Timeline

The whole Project must be completed no later than 24 months after receiving Acceptance of Application or Final Funding Approval, whichever is earlier.

2.7. How to apply

Interested parties may submit application via online e-form at CLP website: www.clp.com.hk/ecobuildingfund.

Please submit application, together with all the required supporting documents including all tendering bids received from prospective suppliers, proof of building ownership and other required documents via online e-form, or to the following e-mail address by stating “Application to the CLP Eco Building Fund” in the e-mail subject:

E-mail Address:

clpecobldgfund@clp.com.hk

2.8. Processing of Applications

All applications will be handled by CLP while final approval will come from CLP / the Vetting Committee comprising various stakeholders from across the community who commits to promoting energy efficiency.

2.9. Approval Process

- Step 1: Upon receipt of an application by CLP, a reply with a submission number will be sent to the Applicant Organisation / Applicant as a simple acknowledgement. Applicant Organisation / Applicant and all the relevant parties shall complete signature and chop as appropriate on the online e-form within 1 month; otherwise, the e-form will be automatically expired. Where necessary, CLP will request the Applicant Organisation / Applicant to provide clarification or supplementary information.
- Step 2: Applicant Organisation / Applicant shall submit all the required information to CLP for assessment within 3 months after initial submission of application; otherwise, the application will be terminated without any notices to Applicant Organisation / Applicant. After receiving all required information, CLP will provide an Official Application number starting with “NEBF-” to the Applicant Organisation / Applicant for future follow up.
- Step 3: CLP will assess the application documents and conduct site verification.
- Step 4: Under special circumstances that the information provided by the Applicant Organisation / Applicant is insufficient for approval of funding amount, Acceptance of Application may be granted, subject to CLP discretion, on a condition that essential information has been provided and site verification has been satisfied.
- Step 5: The funding application will be vetted by CLP / the Vetting Committee.
- Step 6: CLP / the Vetting Committee will either approve or reject the funding application, or request the Application Organisation / Applicant to provide further information. CLP / the Vetting Committee will also consider the budget proposed and priority of

the application according to paragraph 2.3, where necessary, to amend the budget details and adjust funding ceilings for individual applications and / or expenditure items. After deliberation, CLP will inform the Applicant Organisation / Applicant of the result.

If further information is required, CLP will notify the Applicant Organisation / Applicant. If necessary, CLP will then circulate the Applicant Organisation's / Applicant's response to the Vetting Committee members. CLP / the Vetting Committee will make a final decision after further assessment. CLP will then notify the Applicant Organisation / Applicant of the result as soon as practicable. A Final Funding Approval will be sent to the Applicant Organisation / Applicant if the funding application has been approved.

2.10. Application Criteria

- 2.10.1. The Applicant Organisation / Applicant may optionally engage a Qualified Service Provider, who is a Registered Energy Assessor stipulated under the Building Energy Efficiency Ordinance (Cap. 610), to assist setting out in detail the full scope of the Project (including justification of its cost-effectiveness); monitoring of the procurement of capital items, goods and services; supervision of the Project; and submission of the Project's monthly progress update to CLP. If an in-house Registered Energy Assessor is available, the Applicant Organisation / Applicant may engage the Registered Energy Assessor as a Qualified Service Provider. **Please note that no matter a Qualified Service Provider is engaged or not, the Applicant Organisation / Applicant shall ensure the new installations comply with the relevant energy efficiency standards stipulated in the Building Energy Efficiency Ordinance.**

Apart from engaging a Qualified Service Provider, the Applicant Organisation / Applicant may also optionally engage an Energy Saving Facilitator, who has attended an induction course and received a valid attendance certificate issued by CLP, to assist in processing the application (including providing justification of project cost-effectiveness and energy saving estimation, filling in application form and supporting related administration works). The funding to the service charge of Energy Saving Facilitator is

an amount depending on energy efficiency of the project as determined below.

- Maximum HK\$3,000 per application for the retrofitting project with higher energy efficiency, or
- Maximum HK\$1,000 per application for the retrofitting project with lower energy efficiency, retro-commissioning, or implementation of smart / IT technologies.

For an application consisting of mixed categories with (i) retrofitting project with higher energy efficiency, and (ii) retrofitting project with lower energy efficiency, retro-commissioning, or implementation of smart / IT technologies, the funding to the service charge of Energy Saving Facilitator will be based on the lower energy efficiency project, retro-commissioning, or implementation of smart / IT technologies.

If the Applicant Organisation / Applicant engages both Qualified Service Provider and Energy Saving Facilitator in an application, the funding to the service charge of Energy Saving Facilitator will be absorbed under that for Qualified Service Provider.

- 2.10.2. The building services installations covered by the Project shall comply with, or be even more energy-efficient than, the relevant energy efficiency standards stipulated in the Building Energy Codes (2021 or the latest edition, and the most updated edition shall prevail) issued by the Electrical and Mechanical Services Department of the HKSAR Government, upon completion of the Project.

2.11. Vetting Criteria

Broadly, the following criteria will be used in assessing the merits of each application –

Priority will be given to buildings fulfilling the following criteria:

- a) To implement projects with higher energy saving cost effectiveness;
- b) To implement retrofitting works in compliance with Building Energy Efficiency Ordinance (Cap. 610);

- c) Conducted an energy audit or similar assessment / applied for “Comprehensive Scheme or Energy Use Aspect of Selective Scheme” under BEAM Plus Scheme;
- d) Buildings with multi-ownership;
- e) Building age;
- f) Good history of previous applications;
- g) New technology demo project or showcase project which will allow public visits;
- h) New installations equipped with systems / technologies which can contribute significant additional energy saving, e.g. Variable Speed Drive (VSD), inverter, or equivalent technologies;
- i) In addition to item h) above, systems / technologies bundled with voltage dip ride-through or auto restart function.

Other criteria:

- The Project must be non-profit-making in nature;
- The Project which has already started (i.e. contract awarded or confirmed), before CLP / the Vetting Committee has granted approval to the application, will usually not be considered unless there are justifiable reasons accepted by CLP / the Vetting Committee;
- CLP / the Vetting Committee may, at its absolute discretion, consider other factors in addition to the criteria listed above.

2.12. Avoidance of Conflict of Interest

To avoid possible conflict of interest, members of the Vetting Committee and representatives of CLP who are directly or indirectly related to or have an interest in an application, will be required to declare their interest in that application and may have to refrain from taking part in relevant deliberations by leaving the venue where such discussion is to take place. This will apply to members of both the Vetting Committee and CLP who are owner, live in, agent or tenant of the building under application, or part of the proposed Project team and/or belong to the Applicant Organisation.

2.13. Results Availability

Under the circumstances that all required documents have been submitted by applicant organisation / applicant, applicant organisation / applicant will normally be notified of the result in one to three months after submission of their application. However the actual notification date will depend on the balance of the Fund.

2.14. Application Withdrawal

An Applicant Organisation / Applicant can write to CLP to withdraw their application subject to obtaining consent from CLP.

2.15. Application Re-submission

A declined application may be resubmitted only if it has been revised substantially or if the Applicant Organisation / Applicant has been able to produce new evidence to address the comments made by CLP / the Vetting Committee in its earlier review. For a resubmitted application, the Applicant Organisation / Applicant must set out clearly the differences between the resubmitted application and the original one. The revised application will be treated as a new application, and will be subject to the same assessment procedures as set out in the paragraphs above.

3. APPLICATION FORM

3.1. General Directions

- 3.1.1. All sections of the Application Form should be completed, with supporting documents supplied wherever required. Where the information sought is not applicable or not available, the Applicant Organisation / Applicant should state “N/A”.
- 3.1.2. Applicant Organisation / Applicant must give clear and concise information. Additional pages may be attached to the Application Form, if necessary.
- 3.1.3. An acknowledgement will be sent to the Applicant Organisation / Applicant after receipt of its application.

3.2. Sections in the Application Form

- 3.2.1. Applicant Organisation / Applicant

An Applicant Organisation must state its full name in Chinese and English. The Applicant Organisation must be an Owners’ Corporation registered under the Building Management Ordinance (Cap. 344), an owners’ organisation or a residents’ organisation of a residential building, commercial building, industrial building, or composite building and their nearby ancillary facilities. The Applicant Organisation should also provide documental proof of its establishment (e.g. a copy of its registration under the Building Management Ordinance (Cap. 344)).

For the commercial buildings, industrial buildings or composite buildings without Owners’ Corporation or other Owners’ organisations as specified in paragraph 2.1.1, Applicant shall state the name of building’s owner in both Chinese and English.

Please note that under special circumstances, the Applicant can be non-building owner, e.g. property management company, provided that written consent from the building owner(s) or proof of authorisation to handle the building related matters can be provided. The Applicant may provide an electricity account registered from relevant communal areas of the building for

funding disbursement through billing credit, subject to approval by CLP / Vetting Committee.

3.2.2. Person-in-charge of the Project

The Person-in-charge of the Project could be:

- The chairman of the Applicant Organisation;
- A representative of the Applicant Organisation;
- A representative of a property management company; or
- A Qualified Service Provider or Energy Saving Facilitator as specified in paragraph 2.10.1. above.

For the commercial buildings, industrial buildings or composite buildings without Owners' Corporation or other Owners' organisations as specified in paragraph 2.1.1, Person-in-charge of the Project could be:

- The owner of the building (for building with single ownership only);
- The owner of the building as a representative for all owners of the building (for building with multi-ownership);
- A representative of a property management company; or
- A Qualified Service Provider or Energy Saving Facilitator as specified in paragraph 2.10.1. above.

The owner of the building who submits an application on behalf of all owners of the building and assumes the role of Project person-in-charge, should seek consent in writing from all the owners of the building and attach the relevant consent document to the Application Form. The representative of the Applicant Organisation, the representative of the property management company, a Qualified Service Provider, or an Energy Saving Facilitator, who assumes the role of Project person-in-charge, should seek consent in writing from the Applicant Organisation / Applicant and attach the relevant consent document to the Application Form.

For the application submitted by non-building owner, Person-in-charge of the Project can be the Applicant or his/her representative.

3.2.3. Building Information

The Applicant Organisation / Applicant must state the name, address, age and type of the building, type and number of blocks applying for funding, electricity consumption records of the past 12 months, and details of any energy audit or similar assessment, if any, conducted for that building.

3.2.4. Qualified Service Provider / Energy Saving Facilitator

If the Applicant Organisation / Applicant would engage a Qualified Service Provider / an Energy Saving Facilitator, the Applicant Organisation / Applicant shall state the name and qualifications of the Qualified Service Provider / Energy Saving Facilitator (with documentary proof).

3.2.5. Project Duration

The Applicant Organisation / Applicant must state the expected commencement and completion dates of the Project. Specifically, the Project must be commenced (i.e. contract awarded or confirmed to contractor) as soon as the Acceptance of Application or Final Funding Approval has been obtained from CLP. A copy of the signed contract or contract award notification shall be submitted to CLP as soon as the contract has been signed or awarded. A signed “Number of Buildings Verification Sheet” shall also be submitted to CLP upon Final Funding Approval. The whole Project must be completed no later than 24 months from the date receiving Acceptance of Application or Final Funding Approval, whichever is earlier. A signed “Energy Saving Project Verification Sheet” must be submitted to CLP as soon as the Project has been completed.

During the Project implementation, the Applicant Organisation / Applicant or its Qualified Service Provider, if engaged, shall submit to CLP the Project’s progress update on monthly basis.

3.2.6. Estimated expenditure

Estimated expenditure should cover expenses on procurement, delivery or installation of the building services installations covered by the Project. However, operational costs and recurrent maintenance costs of the building services installations should be the responsibility of the Applicant Organisation / Applicant.

Estimated expenditure should clearly show breakdowns in unit cost, number of units, and the sub-total expenditure for each item. It should be noted that only energy-saving items will be funded by the Fund.

3.2.7. Funding from other sources

The Applicant Organisation / Applicant must specify, with details (including the source, amount and approval status), whether it has applied for, and whether or not it has received, funding from other sources (e.g. the Buildings Energy Efficiency Funding Schemes offered by the Government) for the installation/s covered by the Project. Additionally, the Applicant Organisation's / Applicant's intention to seek funding from other sources should be stated if details are not available when their applications are submitted. The Applicant Organisation / Applicant is required to immediately notify CLP if it decides to (also) seek funding from other sources after submission of its application for the Fund, and if its other application/s is/are approved. CLP / the Vetting Committee reserve the right to revise the level of funding granted for a particular Project in the event the Applicant Organisation / Applicant (also) receives assistance from other sources following approval of its Project by CLP / the Vetting Committee.

3.2.8. Estimated revenue generated from the Project

Estimated revenue gains from the Project (e.g. through resale of the building services installations to be replaced) should technically be deducted from the grant amount being applied for. If, however, this is not feasible, the Applicant Organisation / Applicant should provide a full explanation.

3.2.9. Total funding amount applied

For retrofitting projects, total funding amount applied for under the Fund equals the estimated expenditure (energy efficiency parts only plus cost of Qualified Service Provider if engaged) minus the amount of funding from other sources and the estimated revenue; the result to be multiplied by percentage as specified in Table 2.4 above, as the funding will not exceed specific percentage of the actual expenditure, and plus the funding to the service charge of Energy Saving Facilitator (if applicable), subject to a cap as appropriate.

For retro-commissioning and implementation of smart / IT technologies, total grant amount applied for under the Fund equals the following whichever is lower, plus the funding to the service charge of Energy Saving Facilitator (if applicable), and is subject to a cap as appropriate:

- Fixed amount as specified in Table 2.4 above multiplied by the energy saving (for one year only) minus the amount of funding from other sources and the estimated revenue; or
- The estimated expenditure (energy efficiency parts only plus cost of Qualified Service Provider if engaged) minus the amount of funding from other sources and the estimated revenue.

Please also refer to the funding limits as specified in paragraphs 2.4 and 2.5 above.

4. BUDGET GUIDELINES

4.1. General

Each application must be accompanied by a detailed budget for the Project. All expenditure items must be procured between the date of receiving Acceptance of Application or Final Funding Approval, whichever is earlier, and completion date of the whole Project, with original or certified copies of invoices and receipts retained for documentary proof.

4.2. Manpower

The Applicant Organisation / Applicant is expected to have the expertise to undertake, and ability to supervise, the proposed Project. Thus no funding will be granted for employment of additional supervisory / administrative staff to manage or assist with the Project.

4.3. Others

- 4.3.1. All the essential elements of an application will be considered in an integral manner.
- 4.3.2. All applications will be considered on their individual merits. Funding for operational costs and recurrent maintenance costs of the building services installations covered by the Project will *not* be granted under this funding scheme.

5. CONDITIONS FOR THE USE AND DISBURSEMENT OF FUNDS GRANTED

5.1. Contractual Requirements

For each Project for which a funding has been approved, the recipient organisation / recipient must sign a **Funding Agreement** with CLP and comply with all the terms therein. In the event of non-compliance by the recipient organisation / recipient, CLP / the Vetting Committee reserves the right to suspend, terminate or rescind funding. See paragraph 5.9 for further details.

5.2. Use of Funds

- 5.2.1. Subject to other conditions as set out in this Guide, the funding granted shall not be used as payments to individual members of the public as a financial reward for their participation in any activity associated with the Project.
- 5.2.2. The proposed Project must accrue benefits to the district / local community as a whole.

5.3. Disbursement of Funds

- 5.3.1. In principle, the funding will be disbursed on a reimbursement basis; that is to say, the recipient organisation / recipient must settle payment of the project cost on its own before seeking reimbursement from the Fund. The actual disbursement, however, will depend on the cash flow requirements, the actual payments made, and the nature of each Project.

If the Applicant Organisation / Applicant is building owners' organisation or building owners and building ownership documentary proof for Applicant Organisation / Applicant has been submitted, the funding shall be reimbursed by cheques payable to the recipient organisation / recipient. The recipient organisation / recipient may propose a disbursement plan of the subsidy for CLP's consideration. Only one instalment will be allowed in addition to the final 10% payout. Disbursement may be released to the recipient organisation / recipient subject to endorsement of the proposed payment plan and submission of all necessary documents.

Under special circumstances as specified in paragraph 2.1.3, the funding can be reimbursed through billing credit to an electricity account registered for relevant communal area of the building, subject to approval by CLP / Vetting Committee.

Recipient organisation / recipient must give at least 45 working days' advance notice to CLP to allow sufficient time for funding reimbursement processing.

- 5.3.2. All revenue received, regardless of whether it has been declared in the proposal, must be defrayed against the actual expenditure before calculating the amount to be disbursed as final funding reimbursement.
- 5.3.3. The amount to be disbursed for each item in the budget will not exceed the amount approved for that item. Prior approval must be obtained from CLP / the Vetting Committee should there be any change in the approved amounts.
- 5.3.4. For retrofitting project, except the funding to the service charge of Energy Saving Facilitator, the funding amount shall not exceed the percentage as specified in Table 2.4 above of the actual payment to be made in respect of a Project. Hence, if the actual payment made for a Project is less than that budgeted for in the application, the funding amount will accordingly be adjusted downwards. Similarly, if the actual payment made to Energy Saving Facilitator is less than that budgeted for in the application, the funding amount will also accordingly be adjusted downwards. However, where the actual payment is likely to exceed the amount budgeted for in the application, any upward adjustment of the grant amount will be subject to prior approval from CLP / the Vetting Committee.

For retro-commissioning and implementation of smart / IT technologies, except the funding to the service charge of Energy Saving Facilitator, the funding amount shall not exceed the following whichever is lower:

- Fixed amount as specified in Table 2.4 above multiplied by the energy saving (for one year only). Hence if the energy saving for a Project is less than that estimated in the application, the funding amount will accordingly be adjusted downwards; or

- Actual payment to be made in respect of a Project. Hence if the actual payment made for a Project is less than that budgeted for in the application, the funding amount will accordingly be adjusted downwards.

Similarly, if the actual payment made to Energy Saving Facilitator is less than that budgeted for in the application, the funding amount will also accordingly be adjusted downwards. However, where the actual payment or the energy saving is likely to exceed the amount budgeted/estimated in the application, any upward adjustment of the funding amount will be subject to prior approval from CLP / the Vetting Committee.

- 5.3.5. Any item that is not on the approved list of budget items will not be covered by the Fund.
- 5.3.6. Income derived from the Project during the Project period, such as sales of output or fee generated from activities of the Project, must be ploughed back by the recipient organisation / recipient into the Project account.
- 5.3.7. CLP / the Vetting Committee reserve the right to verify all financial records retained by the recipient organisation / recipient in regard to the funding granted.

5.4. Procurement of Capital Items, Goods and Services

- 5.4.1. The Applicant Organisation / Applicant must exercise utmost prudence in procuring goods or services for the Project, and must adhere to the following protocol unless CLP / the Vetting Committee has agreed otherwise:
 - a) for every procurement the aggregate value of which is more than HK\$5,000 but less than HK\$10,000, tenders should be invited from at least two prospective suppliers;
 - b) for every procurement the aggregate value of which is equal to or more than HK\$10,000 but less than HK\$200,000, tenders should be invited from at least three prospective suppliers; and
 - c) for every procurement the aggregate value of which is equal or more than HK\$200,000, tenders should be invited from at least five prospective suppliers.

(Note: the tendering bids received from all the prospective suppliers must be submitted to CLP / the Vetting Committee for assessment.)

Other than tendering bids, quotations received from the prospective suppliers will also be considered, provided that written evidence (e.g. email, fax) showing that the quotations were invited at the same time can be provided.

Under special circumstances that tendering bids or quotations cannot be provided by Applicant Organisation / Applicant, the funding amount will be calculated based on energy saving (for one year only) generated by the project provided that the Applicant Organisation / Applicant can declare that the subsidy amount shall not exceed the project cost under any circumstances. Please refer to Table 2.4 for details.

- 5.4.2. The Applicant Organisation / Applicant should select the supplier among the bidders of the Project. If the Applicant Organisation / Applicant wishes to select other bidder, who is not among the bidders in the submitted list, re-tendering and application re-submission are required. Under this circumstance, the application will be treated as a new application.

Please note that during the application assessment, the amount of funding would be assessed based on the lowest bid of the energy saving parts irrespective of the bidder ultimately selected.

- 5.4.3. Where an Applicant Organisation / Applicant intends to procure the items from a company / organisation / individual (**Supplier**) without following the procurement process set out in paragraph 5.4.1 above, it must provide details and justification, as well as declare its relationship with the Supplier, in the application form. If the application is approved, subsequent approval for engaging that Supplier will not be required from CLP / the Vetting Committee.

- 5.4.4. CLP / the Vetting Committee reserve the right to accept or reject the tender and quotation invitation and processing methods used by Applicant Organisation / Applicant. If the Applicant Organisation / Applicant uses a marking scheme to assess tenders, the assessment criteria should be clearly stated in the tender or quotation document.

- 5.4.5. The prospective suppliers shall list out the unit costs and the number of units of each item with respect to the energy saving parts in their submitted bids or quotations for reference by CLP / the Vetting Committee in approving funding. If the submitted bids or quotation do not list out the unit costs and number of units of each item with respect to the energy saving parts, it will be considered as invalid. If Applicant Organisation / Applicant selects the supplier who submitted invalid bid, funding will not be granted.
- 5.4.6. In cases where CLP / the Vetting Committee deem the quoted pricing in a particular tender or quotation to be unreasonable, it reserves the right to approve funding closer to market prices as assessed by CLP.
- 5.4.7. All the originals of the tendering documents or quotations must be retained for inspection by CLP. The Applicant Organisation / Applicant should also observe the Code of Practice on Procurement of Supplies, Goods & Services issued under the Building Management Ordinance (Cap. 344) for the guidance of Owners' Corporations.

5.5. Use of Project Results

The recipient organisation / recipient is required to grant CLP, unconditionally and irrevocably, the right to publish in the latter's communication materials, whether for internal or external readership, results, findings and any other information provided in its application.

5.6. Title of Equipment and Capital Items

- 5.6.1. The Applicant Organisation / Applicant shall have full ownership of, and responsibility for, all equipment and capital items procured using the Fund.
- 5.6.2. Any use of the capital items procured using the Fund to generate revenue (e.g. through resale), or the relocation of the capital items procured using the Fund within five years after completion of the Project must be approved by CLP / the Vetting Committee beforehand.

- 5.6.3. CLP / the Vetting Committee have the right to conduct surprise checks at any time after a Project's completion to ensure that the new equipment installed is not relocated, its usage does not deviate from its original purpose, or it has not been resold, without prior approval from CLP / the Vetting Committee.

5.7. Acknowledgement of Support and Disclaimer

- 5.7.1. The recipient organisation / recipient must acknowledge its partial source of funding by including the name CLP Eco Building Fund along with the Fund's logo in all publicity materials related to the Project.
- 5.7.2. The CLP Eco Building Fund logo may be featured on various categories of publicity materials with a view to promulgate CLP's contribution to the Project. Examples of publicity materials include: marketing leaflets / posters / banners; reports and publications of Project outcome; and advertisements on paper and in electronic media.
- 5.7.3. Use of the name CLP Eco Building Fund and its logo for any other purposes is subject to prior approval from CLP.
- 5.7.4. Under no circumstances shall the name CLP Eco Building Fund and its logo be used for commercial publicity or other purposes which may damage the image of CLP and/or cause it to incur any liability.

5.8. Suspension / Termination / Rescission of Funding

- 5.8.1. CLP / the Vetting Committee may suspend, terminate or rescind any or all of the funding earmarked for or disbursed to a recipient organisation / recipient for a Project, under the following circumstances:
- a) A copy of the signed contract or contract award notification cannot be submitted to CLP after receiving Acceptance of Application or Final Funding Approval.
 - b) If the whole Project is not, or will likely not be, completed within 24 months from the date of receiving Acceptance of Application or Final Funding Approval, whichever is earlier,

and no explanation is given to the satisfaction of CLP / the Vetting Committee;

- c) If CLP / the Vetting Committee deems the Project not to have progressed in the expected manner, and no explanation is given to the satisfaction of CLP / the Vetting Committee;
- d) If the recipient organisation / recipient fails to comply with the funding conditions as set out in this Guide and/or the approval letter and/or the Funding Agreement, and no explanation has been given to the satisfaction of CLP / the Vetting Committee;
- e) If the recipient organisation / recipient is or becomes unable to fund its share of the Project in accordance with the approved budget and payment schedule;
- f) If the recipient organisation / recipient becomes insolvent or is unable to pay its debts as and when they fall due;
- g) If the usage or status of the newly installed equipment deviates from what was stated in the original application, or it has been relocated, or resold within five years of the completion of the Project without prior approval of CLP / the Vetting Committee;
- h) Any other similar circumstances as CLP / the Vetting Committee see warranting such action.

5.8.2. In each of the above cases, whether suspension, termination, or rescission of funding granted, CLP / the Vetting Committee shall give one month's notice to the recipient organisation / recipient, stating the reasons for such withholding of support. In cases of suspension, the recipient organisation / recipient must be able to demonstrate that appropriate measures have been taken to rectify the problem(s) identified, before CLP / the Vetting Committee resumes funding, subject to further review. In cases of funding termination, any funding already disbursed must be immediately returned to CLP.

5.8.3. If a recipient organisation / recipient uses all or part of a grant for any purpose other than in accordance with the terms of the approved Project, the portion of the grant used for that

illegitimate purpose must be immediately refunded by the recipient organisation / recipient to CLP.

- 5.8.4. Any major changes to a Project must be approved by CLP / the Vetting Committee prior to the implementation of those changes, which may include:
- a) Revision of budget (except for any downward adjustment of the budget as detailed in paragraph 5.3.4); or
 - b) Change of person-in-charge;
- 5.8.5. CLP / the Vetting Committee may suspend, terminate or rescind funding already earmarked for or disbursed to a recipient organisation / recipient if its Project is found to be operating under any of the circumstances outlined in paragraph 5.9.4, without CLP's / the Vetting Committee's prior approval.
- 5.8.6. Approval must be secured from CLP for any desired changes, whether major or minor, before these are implemented in a Project.

5.9. Ethical Practices

- 5.9.1. Applicant Organisations / Applicants should ensure their members, staff, contractors, employees and agents are prohibited from offering any advantage to staff of CLP or members of the Vetting Committee in connection with their applications for the Eco Building Fund or projects sponsored by the Fund.
- 5.9.2. All recipient organisations / recipients are required to adopt a policy of openness and fairness in the procurement process when running their funded Project.
- 5.9.3. Recipient organisations / recipients should ensure their members, staff, contractors, employees and agents are prohibited from soliciting or accepting any advantages, and require them to declare any conflict of interest, in connection with their funded Project. All declarations of interest relating to Projects funded by the Fund should be properly documented and submitted for inspection by CLP.

5.10. Others

- 5.10.1. Neither CLP nor the Vetting Committee shall be responsible, financially or otherwise, for any loss, damage or other liabilities (including direct or indirect loss of profits or loss of income or any other indirect or consequential loss or damage) arising from any of the Projects at any stage.
- 5.10.2. CLP may at any time amend or add to the above conditions, without prior notice to eligible parties, Applicant Organisations / Applicants and/or Fund recipient organisations / recipients.