

Education Bureau Circular Memorandum No. 113/2018

From : Secretary for Education
To : Heads of all kindergartens, primary and secondary schools (excluding government schools)

Ref. : EDB(SA)/ADM/150/5/39/3(2)

Date : 20 August 2018

Participation of Schools in Feed-in Tariff (FiT) Scheme

SUMMARY

This circular memorandum (CM) aims to inform all secondary schools, primary schools and kindergartens¹ (excluding government schools) of the points to note when participating in the FiT Scheme. It should be read in conjunction with Education Bureau (EDB) Circular No. 4/2017 on “Environmental Policy and Energy Saving Measures in Schools” to complement the environmental policy and environmental education in schools.

DETAILS

2. The Hong Kong Government entered into a new Scheme of Control Agreements (SCAs) with the two power companies (i.e. CLP Power Hong Kong Limited (CLP) and The Hongkong Electric Company, Limited (HKE)) in April 2017. Taking into account the public's opinions and to tackle climate change, the new SCAs introduce a number of measures to encourage the power companies to develop renewable energy (RE) on their own, while at the same time promote the development of RE. Among them, the introduction of the FiT Scheme is an important measure to promote RE in the new SCAs. Implemented by the two power companies, the FiT Scheme encourages the private sector and the community to develop RE and sell the power so generated to the power companies at a rate higher than the normal electricity tariff rate.

3. In line with the Government's environmental policy, the Environment Bureau and the EDB encourage schools to install RE systems on the school premises subject to the conditions that the activities and safety of students will not be jeopardized by such installation. Secondary and primary schools as well as kindergartens (except government schools) may participate in the FiT Scheme having regard to their individual circumstances. It is hoped that schools will make the best use of the RE systems installed to promote environmental education in schools when participating in the FiT Scheme. When installing RE facilities and participating in the FiT Scheme, schools should take note of the following:

RE Facilities

- (i) All schools may purchase, install, replace, repair or maintain RE facilities, and pay for the other recurrent costs of these facilities, if any, through the Environment and Conservation Fund, donations or sponsorships. In addition, aided schools and caput schools may use the funds in the General Funds Account to pay for the

¹ Including kindergartens, kindergarten-cum-child care centres and schools with kindergarten classes.

relevant expenses. Schools charging tuition fees² are not allowed to use the fee income directly for the relevant purposes. Under no circumstances should schools be allowed to purchase, install, replace, repair or maintain the RE facilities, and pay for the other recurrent costs of these facilities, if any, through loan arrangements or EDB subsidies.

- (ii) All schools should submit applications to the EDB for prior approval in accordance with the prevailing requirements³ if any structural alterations are involved in the installation of RE facilities in their school premises.
- (iii) When purchasing, installing, replacing or carrying out repair and maintenance works on RE facilities, schools should refer to the EDB's prevailing requirements to select suppliers/ contractors through competitive tender/ quotation exercises. Schools should not solicit or accept any donations or advantages in any form from suppliers/ contractors.

Participation in the FiT Scheme

- (iv) Schools should make good use of the RE systems installed to improve students' environmental knowledge through teaching and learning activities or after-school activities in schools.
- (v) As the participation in the FiT Scheme is a trading operation, aided schools, caput schools and DSS schools should follow the relevant requirements laid down in the EDB Circular No. 10/2016 on "Trading Operations in Schools". Schools without Incorporated Management Committee (IMC) are required to seek prior permission in writing from the Permanent Secretary for Education. While schools should note that the profit limit for trading operations does not apply to the FiT Scheme, the related profits should be applied for the purposes directly benefiting the students of the schools such as organising educational activities that promote environmental protection and purchasing, repairing or maintaining RE facilities.
- (vi) Schools wishing to participate in the FiT Scheme should put up relevant proposals to the School Management Committee (SMC)/ IMC for approval.
- (vii) Schools are not allowed to participate in the FiT Scheme by outsourcing, hiring out accommodation to private companies on a long-term basis, sharing profits with private companies, etc.
- (viii) Schools should pay attention to the grid connection arrangements and legislative requirements in relation to the installation of RE systems.
- (ix) When making applications to the power companies, schools should also submit the

² Including Direct Subsidy Scheme (DSS) schools, kindergartens and private schools such as international schools and Private Independent Schools (PISs).

³ As stipulated in section 10(a) of the Education Regulations (Cap. 279A), except with the consent in writing of the Permanent Secretary there shall not be made any structural alterations to the school premises.

Notification Form attached to this CM⁴ to the EDB. Upon notification of the application results, schools should fax the approval or rejection letter issued by the power companies to the School Administration 4 Section of the EDB (with a copy to the respective Senior School Development Officer/ Senior Services Officer of the school) as soon as possible for record purposes.

Accounting Arrangements

- (x) All schools should keep a separate ledger for the income and expenditure of the FiT Scheme.
- (xi) All types of schools should reflect the income and expenditure of the FiT Scheme, as recorded in the separate ledger, in the audited accounts⁵ in accordance with the EDB's requirements. Aided schools and caput schools should furnish their income and expenditure in the General Funds Account to reflect the income and expenditure of the FiT Scheme. DSS schools, kindergartens joining the Kindergarten Education Scheme⁶ as well as international schools and Private Independent Schools in receipt of government subvention, should disclose the income and expenditure of the FiT Scheme in the relevant Statement/ Note of the audited accounts. Private schools not required to prepare audited accounts in the prescribed formats of the EDB should reflect the relevant income and expenditure in the audited accounts/ financial statements according to the prevailing accounting standards.
- (xii) All types of schools should use the relevant income from the FiT Scheme or funds from appropriate sources as stated in paragraph 3(i) above to pay for the necessary expenses (e.g. the costs of grid connection and repair/ maintenance of RE facilities)⁷ or any loss.
- (xiii) Aided schools and caput schools should credit the profit of the FiT Scheme, if any, to the General Funds Account. Schools charging tuition fees can accumulate the profit in the non-government fund account/ school funds account to be used for the purposes directly benefiting the students of the schools. Schools are not allowed to distribute the income arising from the FiT Scheme to third parties in any forms, including donations or loans.

⁴ If schools have already submitted applications to the power companies before this CM is issued, they should submit the Notification Form attached to this CM to the EDB as soon as possible.

⁵ Aided schools, caput schools, DSS schools and kindergartens joining the Kindergarten Education Scheme, as well as international schools and PISs in receipt of government subvention, should reflect the income and expenditure in the separate ledger of the FiT Scheme in the 2018/19 school year and onwards. Schools will be notified of the details of the preparation of the audited accounts separately.

⁶ Including kindergartens having participated in the Pre-primary Education Voucher Scheme or the new Kindergarten Education Scheme and still having students eligible for the subsidies from the relevant schemes.

⁷ Aided schools with an IMC may use the surplus of the Expanded Operating Expenses Block Grant to top up no more than (i) 50% of the recurrent cost arising from government-funded projects; and (ii) 25% of the recurrent cost arising from furniture, equipment and other facilities or educational service acquired through private donations or other fund-raising schemes.

- (xiv) Schools charging tuition fees are not allowed to increase tuition fees for the reason of participating in the FiT Scheme. Relevant expenditure will not be considered in the assessment of any applications for fees adjustment.

4. Through the EDB Circular No. 4/2017 on “Environmental Policy and Energy Saving Measures in Schools”, the EDB urges all schools to formulate and put in place their school-based environmental policy, which should be endorsed by the SMC/ IMC of schools and are expected to be reported regularly at the SMC/ IMC meetings for ongoing review and sustainable development. If participating in the FiT Scheme, schools may support the development of RE in complement with their school-based environmental policy. To further promote environmental education, schools are encouraged to proactively display to the community and stakeholders the results of implementing their school-based environmental policy via, for example, sharing details and achievements of their participation in the FiT Scheme and educational activities held in relation to environmental protection on the school websites.

ENQUIRY

5. For enquiries on participation in the FiT Scheme, please contact the following institutions/ officers:

Enquiry details	Contact points
Details of the FiT Scheme from the power companies	CLP Tel. : 2678 0322 Email Address: csd@clp.com.hk HKE Tel. : 2843 3228 Email Address : RE@hkelectric.com
Technical issues related to installations of RE facilities	Electrical and Mechanical Services Department A webpage of FiT on the Hong Kong Renewable Energy (HKRE) Net http://re.emsd.gov.hk/eindex.html Enquiry Hotline : 6395 2930 Email Address : eepublic@emsd.gov.hk
Arrangements for schools’ participation in the FiT Scheme	School Administration 4 Section of the EDB Tel. : 3509 7459
Other enquiries (e.g. works involving structural alterations)	Respective Senior School Development Officers of the Regional Education Offices or Senior Services Officers of the Joint Office for Kindergartens and Child Care Centres of the EDB

Ms SO Yuen-yi
for Secretary for Education

c. c. Heads of government schools and all sections – for information

Participation of Schools in Feed-in Tariff (FiT) Scheme

Notification Form

To: Senior Education Officer (School Administration)4
School Administration 4 Section
Education Bureau (EDB)
5/F., East Wing, Central Government Offices
2 Tim Mei Avenue, Tamar, Hong Kong
[Fax : 2117 9120]

We have decided to participate in the FiT Scheme implemented by CLP Power Hong Kong Limited/ The Hongkong Electric Company, Limited*, with an application submitted on _____ (DD/MM/YYYY).

Upon notification of the application result from the power company, we will fax the approval letter or rejection letter issued by the power company to the School Administration 4 Section of the EDB (with a copy to the respective Senior School Development Officer/ Senior Services Officer) for record purposes. We are also aware that if the installation of renewable energy facilities involves any structural alterations to the school premises, we will submit an application to the EDB according to the prevailing requirements and no installation works shall be carried out without prior approval.

Signed by: _____
(Principal/ Supervisor*)

Name: _____

Name of School: _____

Date: _____

*(*Please delete as appropriate)*

c.c.: _____ District (i.e. respective district) Senior School Development Officer/
Senior Services Officer