

**Business Facilitation Advisory Committee
Task Force on Business Liaison Groups**

***Requirements, procedures and facilitation measures for application for
Feed-in Tariff Scheme and installation of solar photovoltaic system by
the private sector***

Purpose

This paper briefs members on the requirements, procedures and facilitation measures for application for the Feed-in Tariff (FiT) Scheme and installation of solar photovoltaic (PV) system to encourage and facilitate the trade to install such systems.

Background

2. To combat climate change, the Government has been actively promoting the development of renewable energy (RE). In 2018, the FiT Scheme was introduced in collaboration with the two power companies for the private sector to sell the RE generated to the power companies at a rate higher than the normal electricity tariff rate. This can help the private sector to recover the costs of investment in the RE systems and power generation, thus providing incentives to invest in RE. At present, FiT will be offered to solar and wind energy generation systems.

Application for FiT Scheme

3. Under the FiT Scheme, any non-governmental customers of the two power companies who plan to install distributed RE systems with a generating capacity of up to 1 Megawatt (MW)¹ at their premises in the respective power company's supply area are eligible for prescribed FiT rates from that power company as long as the distributed RE systems are

¹ RE systems with a generating capacity exceeding 1 MW will be considered on a case-by-case basis.

connected to the latter's grid. The FiT rates² are reviewed and published annually. Owners of the RE systems can start receiving FiT payment since commencement of operation of the systems and joining of the FiT Scheme until 31 December 2033 or throughout the lifespan of the RE systems, whichever is the earlier. Electricity generated after 2033 will belong to the RE system owner.

4. To provide sufficient incentives to potential RE developers, "gross FiT" is adopted whereby FiT is paid for all units of electricity generated by the RE systems. Any units of electricity used at the premises would be charged at the prevailing tariff rates. At the same time, to promote the development of RE and use of energy-efficient building installations, the Government has enhanced the tax concessions by allowing the capital expenditure incurred on these installations be fully deducted in the first year of purchase since 2018-19.

5. In general, FiT Scheme applicants should submit a copy of the Business Registration Certificate, the design, technical specifications, operation procedure, testing and cost data information of the RE systems, and indicate understanding of the requirement of complying with all applicable laws, regulations and licences to the respective power company. A flowchart of the key application procedures is at [Appendix](#).

Installing Solar PV Systems in Private Buildings

6. Solar energy can be converted into electricity using the solar PV technologies. To install solar PV systems, trade operators may engage contractors that provide solar energy generation (SEG) installation services, and the latter shall appoint registered electrical contractors to carry out the related electrical work. The Electrical and Mechanical Services Department (EMSD) maintains a list of [SEG Installation Contractors](#) and provides [technical guidelines](#) for the trades' reference. In accordance with section 21 of the Electricity Ordinance (Cap. 406), the owner of a solar PV system connected with power grid and participated in the FiT Scheme

² The prevailing FiT rates are as follows:

- (a) \$4 per kilowatt hour (kWh) for RE systems with a generating capacity of 10 kilowatts (kW) or less;
- (b) \$3 per kWh for RE systems with a generating capacity of more than 10 kW but not exceeding 200 kW; and
- (c) \$2.50 per kWh for RE systems with a generating capacity of more than 200 kW but not exceeding 1 megawatt.

which forms part of a fixed electrical installation with approved loading not exceeding 100A in a general premises (not belong to an electrical installation that requires a periodic test certificate (WR2)) shall register the facility with the EMSD. E-services for the registration and payment of the one-off fee are available via [EMSD's website](#).

7. The erection of supporting structure for a solar PV system is considered as building works subject to control of the Buildings Ordinance (BO) (Cap. 123). It may be carried out under the simplified requirements of the Minor Works Control System (MWCS). Under MWCS, erection of supporting structures for a solar PV system on-grade or on a canopy/roof (other than a cantilevered slab) can be carried out under minor works items [1.50](#) or [3.50](#), provided that the works fulfill the descriptions of the minor works items and comply with the BO and its subsidiary regulations. The building owner or tenant concerned should appoint a prescribed building professional and/or a prescribed registered contractor to carry out the erection of such structures with the following main requirements being met:

- The height of the structures (including the concrete plinth) should not exceed 1.5 metres;
- The solar PV system should not project beyond the external walls of the building or be erected on cantilevered slabs;
- The solar PV system should not overload the building, obstruct the means of escape, reduce or obstruct the fire refuge areas, block the drains, or cause damage to the waterproofing system of the building; and
- The structures should be safe and secure, and able to resist the uplift force/transverse wind.

8. If the proposed supporting structures for the solar PV system do not fulfill the requirements or are not erected under the MWCS, building owner or tenant concerned will have to appoint an authorized person and a registered structural engineer to submit plans to the Buildings Department (BD) for prior approval and consent to the commencement of works. A registered contractor is also required to be appointed to carry out the building works.

Facilitation measures for installation of solar PV systems in open car parks by the private sector

9. A set of measures have been introduced in April 2022 to facilitate the installation of solar PV systems in open car parks by the private sector. Upon meeting the specified requirements and **obtaining the policy support of the Environment and Ecology Bureau**, the private sector may install solar PV systems (including the supporting structure(s)) not exceeding three metres in height in car parking spaces of larger-scale open car parks located at vacant sites, on-grade or on the main roofs of existing non-domestic buildings and benefit from the following facilitation measures:

- a) The BD will provide a fast-track mechanism to process and approve building plans submitted for the proposed erection of the supporting structure(s) for a solar PV system in the above-mentioned open car parks. The processing time for approval of such plans will be reduced from the current 60 days to within 30 days; an application for consent to the commencement of the works may also be submitted together with the building plan submission for concurrent processing; and
- b) The BD will grant 100% gross floor area concessions to the above-mentioned car parking spaces of larger-scale open car parks located on-grade or on the main roofs of existing non-domestic buildings that are covered by solar PV systems, and will accept the mean height of the roof over the highest usable floor space of the existing building for the purposes of calculating building height restrictions in determining the approved site coverage and the plot ratio of the building.

More details can be found in the [thematic website of RE](#).

Way Forward

10. Members are invited to note the content of the paper and offer comments, if any.

Buildings Department
Electrical and Mechanical Services Department
April 2023

Flowchart on key application procedures involved in applying for Feed-in Tariff Scheme

