

Update on OIL AND GAS SECURITY (Hong Kong)



**YU Pak Kan, Brian
Engineer**

Electrical & Mechanical Services Department, Hong Kong

Oil and Gas Demand Situation

- Hong Kong highly depends on import of coal, oil and gas
- Coal and natural gas are used for power generation
- Naphtha and natural gas are used for towngas manufacture



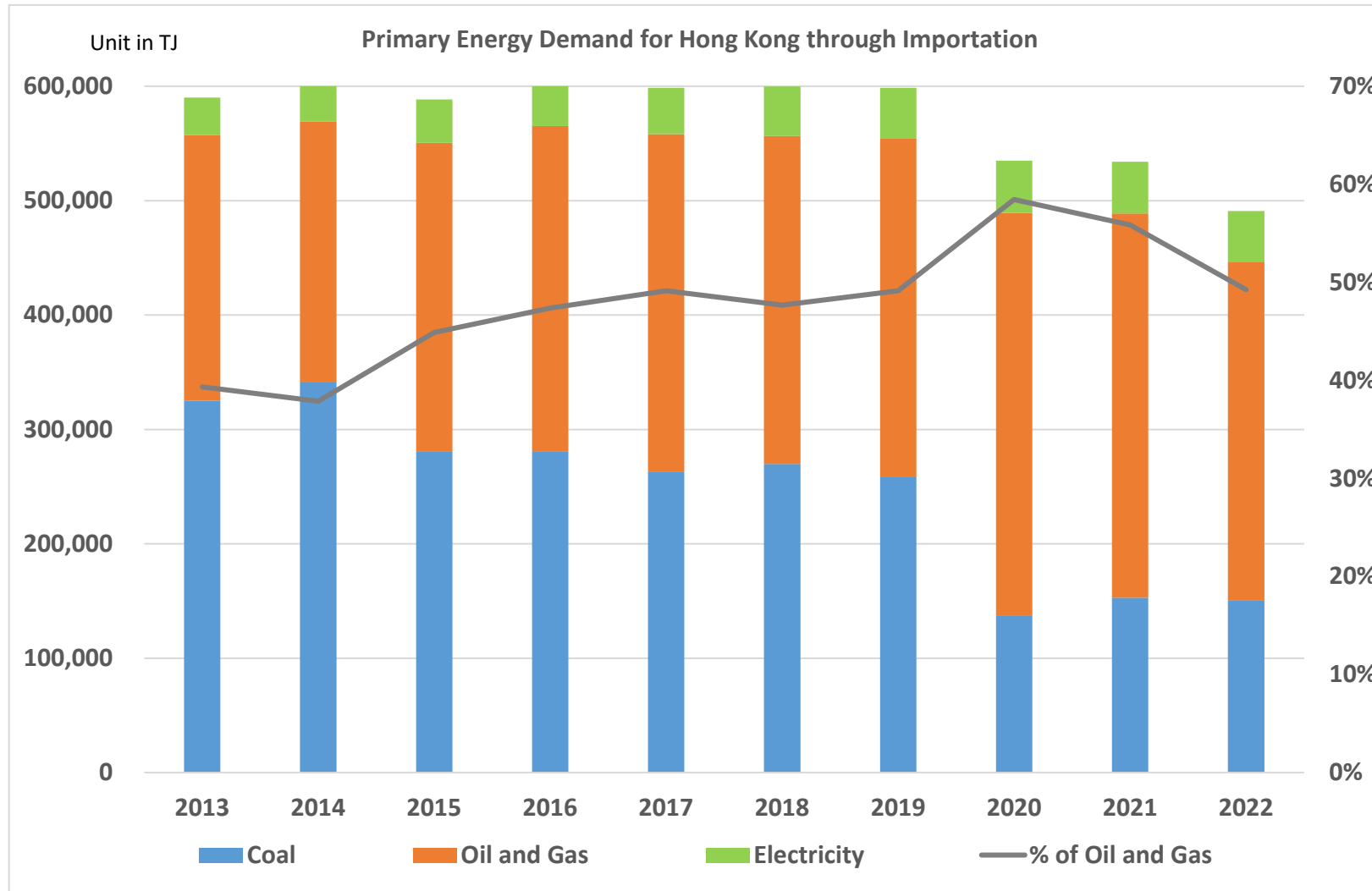
Power Stations



Towngas Production Plant

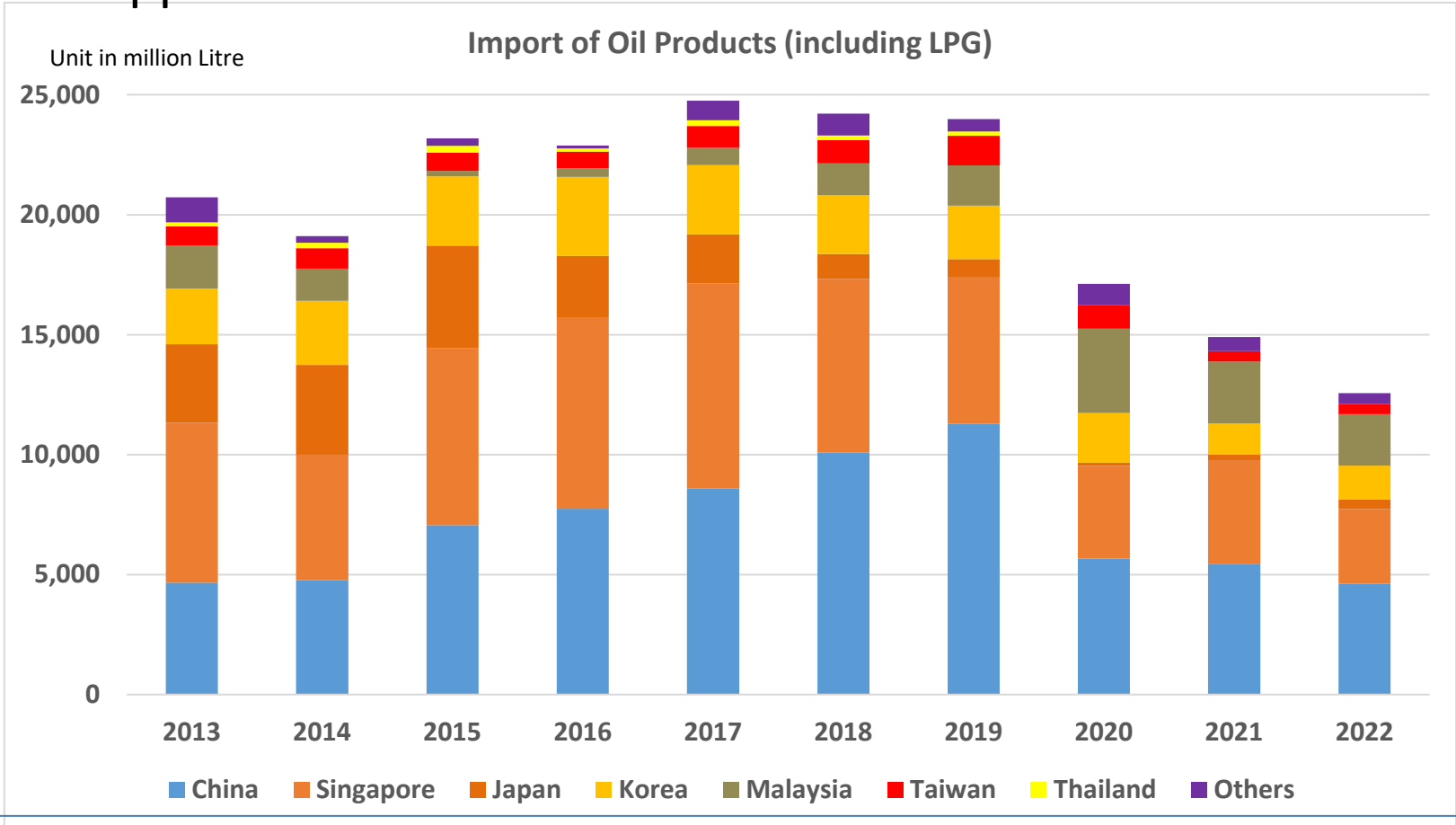
Oil and Gas Demand Situation

Hong Kong



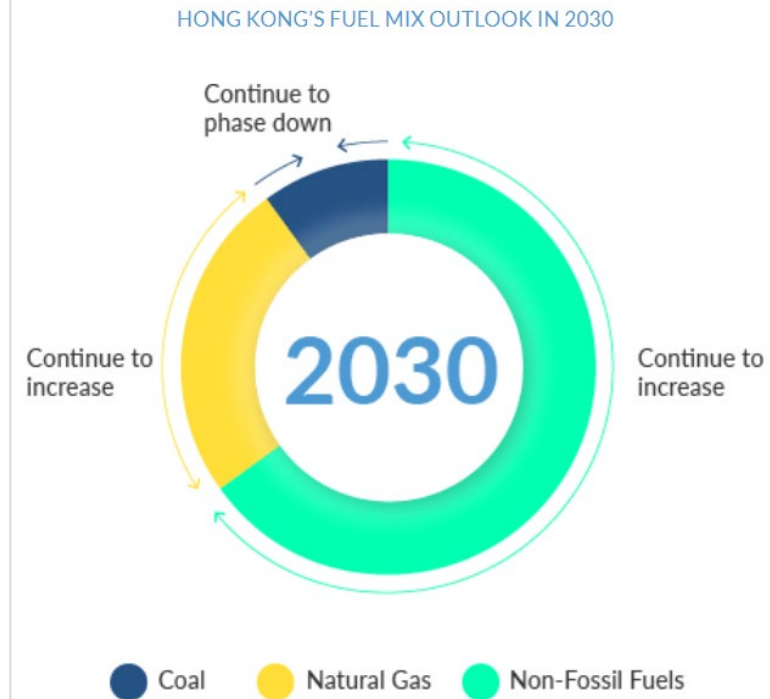
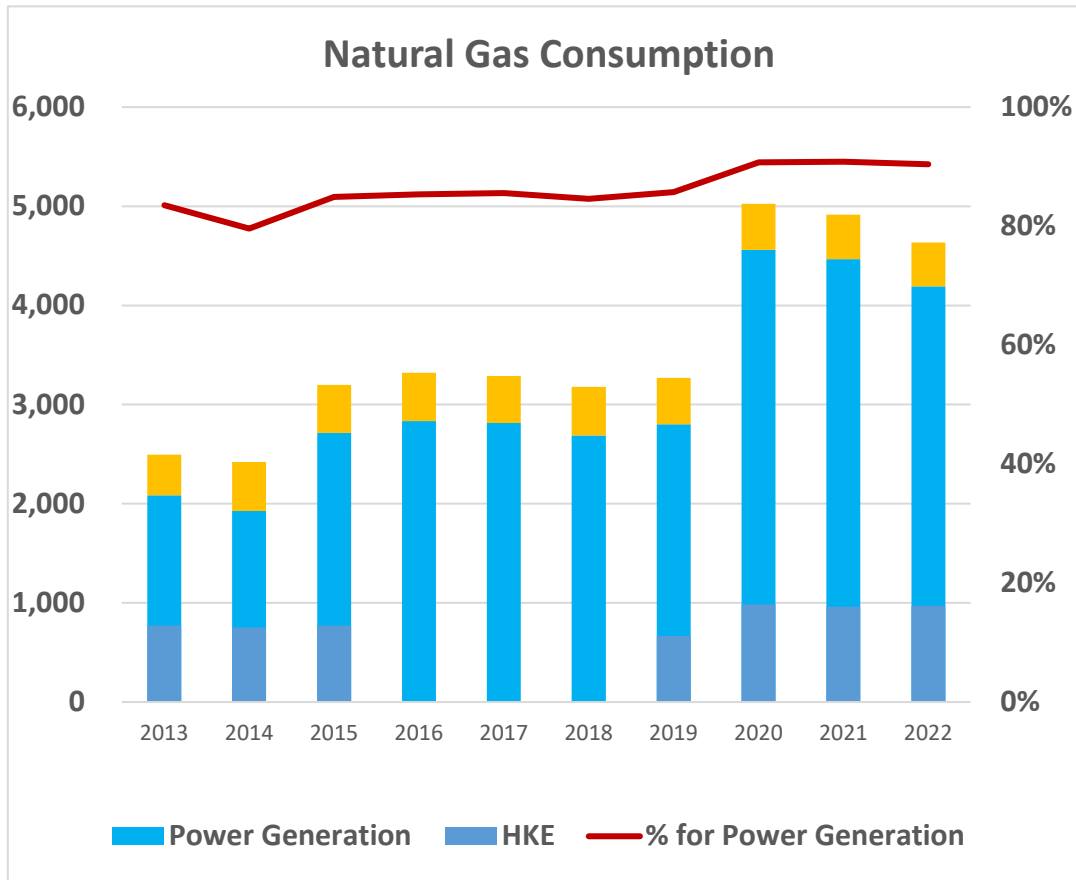
Oil and Gas Demand Situation – Oil Products

- Oil products are mostly imported from APEC countries
- China, Singapore, Japan, Korea & Malaysia are major suppliers



Oil and Gas Demand Situation – Natural Gas

- Natural Gas is imported for power generation and town gas manufacture



Oil and Gas Demand Situation – Natural Gas

- NG is currently imported into HK via submarine pipelines



Existing NG Supply	Year of commissioning	Length, Pressure and Pipe diameter
Yacheng Gas Field, China (CAPCO)	1996	780km, 90bar & 700mm
West to East Pipeline II, China (CAPCO)	2013	20km, 60bar & 800mm
Dapeng LNG Terminal, China (HKCG)	2006	34km, 90bar & 450mm
Dapeng LNG Terminal, China (HKE)	2006	93km, 90bar & 500mm
Offshore LNG Terminal, China (CAPCO)	2023	45km, 90bar & 700mm
Offshore LNG Terminal, China (HKE)	2023	18km, 90bar & 500mm

Regulatory Control

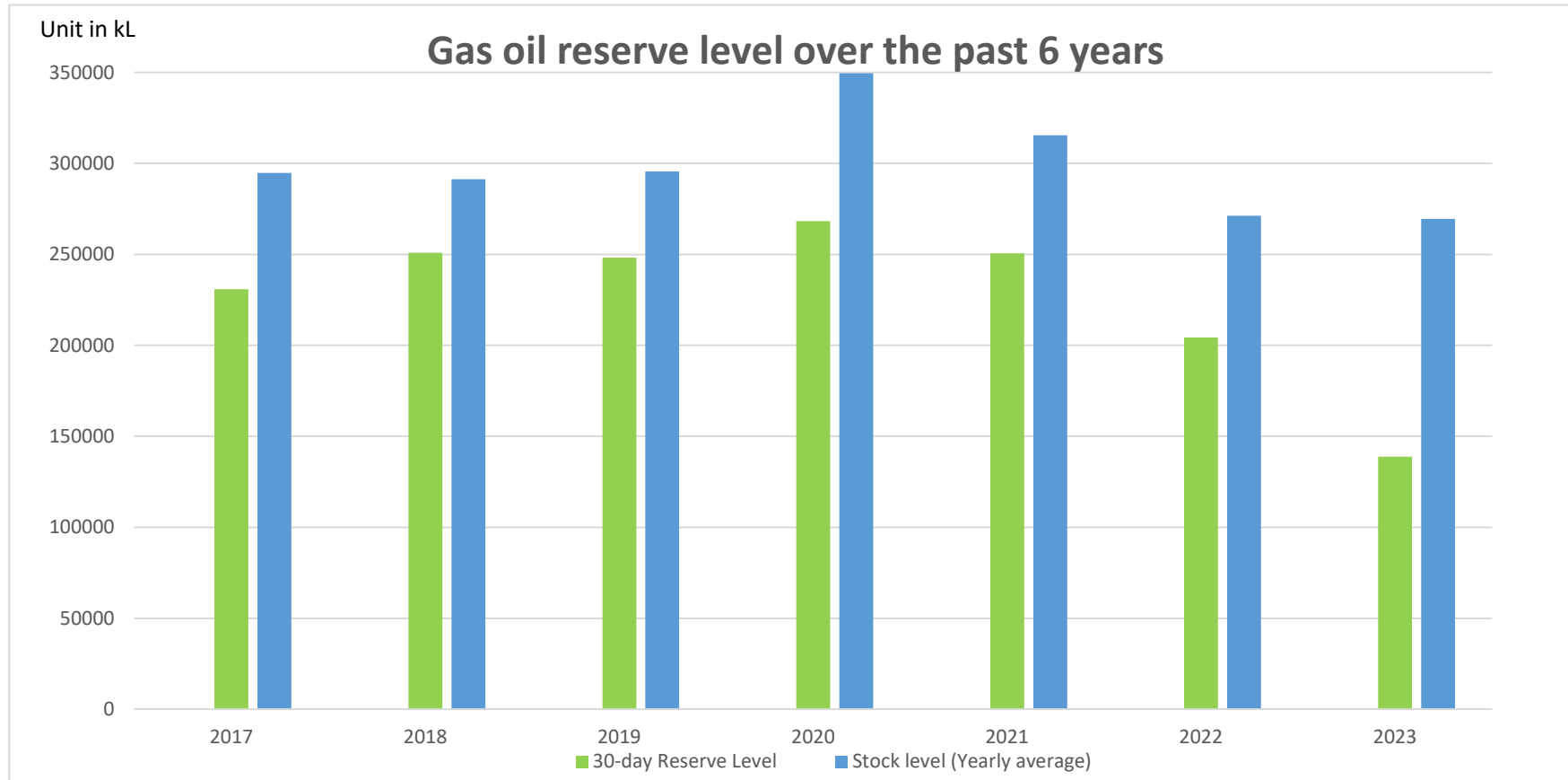
- Oil (Conservation and Control) Ordinance, Cap 264
- Under emergency situation, Director of Oil Supplies (DOS) shall :
 - regulate or prohibit storage, supply, acquisition, disposal or consumption of oil and gas
 - regulate or prohibit supply or consumption of electricity or gas

Stock Holding Requirement on Oil Reserve Level

- Hong Kong has no government-held oil stocks, but imposes stockholding requirement for gas oil and naphtha on industry
- Code of Maintenance of Stocks implemented since 1982
- Major oil and gas companies participated
- Maintain 30-day reserve level for gas oil and naphtha

Oil and Gas Security Policy

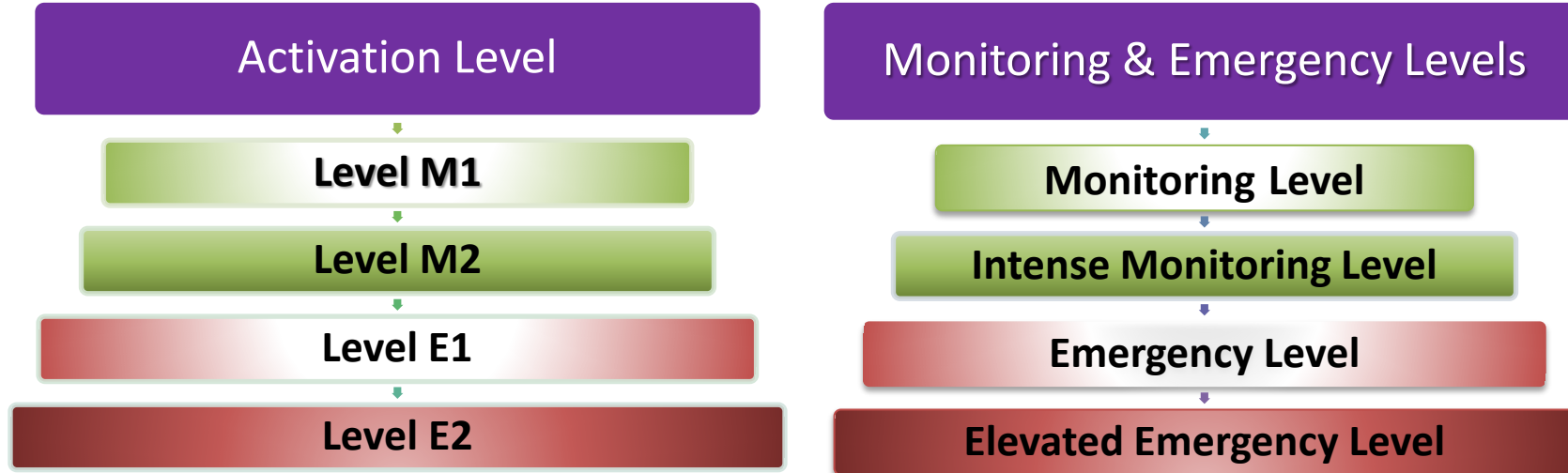
Hong Kong



- Issuance of reminder letter for non-compliance
- The 30-day reserve level was met in the past 6 years
- Effective communication with the oil and gas supply companies

Emergency Preparedness

- Hong Kong is entirely dependent on imports of oil products
- Hong Kong has regulatory control on oil supply under emergency situation
- Oil Supply Contingency Plan (OSCP) in place to provide appropriate responses to different situations



Policies to strengthen gas security

- Fuel diversity for power generation (coal, oil, NG and nuclear power)
- Alternative gas sources from mainland China
- Construction of an offshore Liquefied Natural Gas (LNG) import facility - Floating Storage and Regasification Unit (FSRU)
- Development of organic resource / waste recovery projects (Several landfill gas and biogas production plants in operation)

Thank you very much

Email Address: pkyu@emsd.gov.hk

Contact Number: 852-2808 3666