



25 November 2010

CLP Supports Adoption of a Carbon Intensity Target for Hong Kong to Combat Climate Change

CLP Power today submitted its response to Government's consultation on *Hong Kong's Climate Change Strategy and Action Agenda*. CLP supports Government's proposed strategy of adopting a carbon intensity target for Hong Kong which will contribute to the national target.

Government's proposed target for Hong Kong of reducing carbon intensity by 50–60% by 2020 from the 2005 level is a challenging one given the already relatively low carbon intensity level for Hong Kong and the short timeframe for developing the required infrastructure projects. Collaborative efforts by the Government, the commercial sector and the community are essential to help realise the Climate Change action agenda set out in the consultation paper and CLP is ready to play its part.

In response to Government's proposal to move to an electricity fuel mix of 50% nuclear, 40% gas, 3–4% renewable energy and not more than 10% coal by 2020, Mr. Richard Lancaster, Managing Director of CLP Power, said, "Increasing the use of more cleaner and low-carbon fuels is an important step to reduce Hong Kong's carbon footprint. It is also in line with the way we are heading as a business – as set out in our *Climate Vision* and *Energy Vision*."

Mr. Lancaster also pointed out that changing the electricity fuel mix is a feasible strategy to reduce carbon intensity provided that a reasonable lead time is available to develop and execute a carefully structured transition and implementation plan that involves close collaboration between Government, the community and the power sector.

"The new fuel mix will have to be complemented by a balanced mix of local generation and imported nuclear supply with sufficient local back up capacity to sustain the highly reliable, safe and efficient electricity supplies that have powered Hong Kong's development and contributed to the daily comforts that our customers expect." Mr. Lancaster added.

CLP has adopted nuclear power and natural gas to reduce the carbon intensity of electricity generation since the 1990s. In 2009, CLP set out its *Energy Vision* to outline a road map for a greener Pearl River Delta through strengthening energy infrastructure links with the Mainland, adopting a cleaner fuel mix and promoting energy efficiency.

As one of the cornerstones in our *Energy Vision*, CLP sees it as equally important to promote energy efficiency both at CLP and in the wider community. We adopt the Building Energy Codes whenever practicable at our premises and encourage our own staff to save energy. To encourage behavioural change among our customers and the community towards a low-carbon lifestyle, we regularly promote energy conservation through various energy efficiency-related services and public education programs. Over the past 10 years, CLP has completed over 1,000 energy audits for our commercial and industrial customers, bringing real savings in CO₂ each year.

“The power business is long-term and capital-intensive in nature. To achieve the proposed fuel mix for electricity supply, more clean fuels and new infrastructure investments will be needed. A stable and transparent regulatory framework enabling private investors to plan and make long-term energy infrastructure investments is important for delivering the Climate Change agenda. In view of the long lead time for such projects, it is necessary to intensify planning efforts as soon as the Hong Kong community reaches consensus on the direction forward.” Mr. Lancaster reiterated.

Please go to this link for full version of the response paper:

English version:

<https://www.clp.com.hk/ourcompany/aboutus/resourcecorner/publications/Pages/publications.aspx>

Chinese version:

<https://www.clp.com.hk/ourcompany/aboutus/resourcecorner/publications/Pages/publications.aspx>

About CLP

CLP Power Hong Kong Limited is the largest electric utility in Hong Kong serving the business and domestic community in Kowloon, the New Territories, Lantau and most of the outlying islands. Operating a vertically integrated electricity generation, transmission and distribution business, CLP Power provides a highly reliable supply of electricity and excellent customer services to over 5.7 million people in its supply area.

Outside Hong Kong, CLP Holdings also invests in energy businesses in Mainland China, Australia, India and Southeast Asia. It is the largest external investor in the Chinese mainland electricity industry, and a leading international private sector power company in the Asia Pacific region with a diversified portfolio of power generation from gas, coal, renewables and nuclear.

CLP is listed in the Global Dow – a 150-stock index of the world's leading blue-chips, the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), and the Dow Jones Sustainability Asia Pacific 40 Index (DJSI Asia Pacific 40).

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