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Hong Kong's first substation for data centres fuelling local development into a regional hub

In recent years, the Government has been working to promote Hong Kong as a regional hub for data centres through incentives of encouraging the conversion of existing industrial buildings or sites for this purpose. To meet the growing demand for data centres, CLP will develop Hong Kong's first substation dedicated to powering data centres in Tseung Kwan O Industrial Estate in Chun Yat Street. Today, the ground-breaking ceremony for the new project was held, with work to be completed in the fastest time in CLP's history.

With the emerging prominence of Asia, many plans are afoot to develop data centres in the region. Given its proximity to mainland China and also located in the centre of Asia economies, together with a free flow of information and a world-class information infrastructure, Hong Kong has become an attractive location for operators looking to set up a regional base for their data centres.

According to Daniel Lai, The Government Chief Information Officer, the government has been fostering the development of data centres in recent years. "Solely in Tseung Kwan O Industrial Estate, more than 10 hectares land has been reserved since 2010, so as to provide suitable land for data centre development and support the core business of various local and international companies. Besides, as mentioned in the 2011-12 Policy Address, 2 more hectares of land is reserved in Tseung Kwan O for the same purpose, with the first hectare opened for bidding next year."

With plans now underway to develop around 10 data centres in Tseung Kwan O Industrial Estate, there is an obvious need to build dedicated substation to ensure smooth operation of these data centres.

Paul Poon, Chief Operating Officer of CLP Power, said, "To ensure a super-high level of power supply reliability for the data centres in the industrial estate, we are adopting for the first time in Hong Kong a segregated twin switchgear room design for the new substation. As a double safety feature, it will be connected to two independent power sources. In case one switch room is struck by an incident, normal electricity supply can still be maintained. We can also provide customised solutions for data centres requiring a back-up power source."

He added that to meet the rapid growth of data centres at breakneck speed, the new project in Chun Yat Street is expected to be built in the fastest time in CLP's history, taking just about three years to complete from design to construction for scheduled commissioning in mid-2014.

Charles Lee, Convener of Hong Kong Data Centre Association, treasures the speedy and customised arrangement for electricity he is enjoying in Hong Kong. “We set up data centres across Asia and found our experience in Hong Kong most desirable. Here we benefit from power supply reliability and competitive tariffs. Local power companies are willing to understand users’ needs and are attentive to the data centre industry’s power requirements. This support is vital to the long-term growth of our data centre business.”

CLP expects that incentive measures, implemented by the government in late June to transform industrial buildings into data centres, will generate increasing load demand in traditional industrial areas in Shatin, Kwai Chung, Tsuen Wan and Kwun Tong. In response, the Company is planning to enhance network capacity in these areas to meet the expected demand growth.

Regarding the power demand from data centres, CLP said that given their flat demand load and round-the-clock operation, data centres can utilise power supply facilities more effectively. In fact, with the emergence of cloud computing technologies, data centres can deliver more output with the same amount of energy consumption as compared with the situation when all the computations are decentralised and carried out on individual premises.

CLP indicates that they will continue to work closely with the government and related organisations to establish a better understanding of data centre development and the resulting electricity demand. In this connection, it will carry out prudent planning and systems construction. They have dedicated engineering teams to formulate fast track power supply schemes, streamlining the electricity supply process and proposing energy-saving ideas proposed in support of the Company’s utmost efforts to provide data centres with adequate electricity supply in a timely manner.

The data centre industry is expected to generate significant economic benefits for the territory. According to information released by the SAR Government, the data centre industry contributed HK\$3.4 billion to Hong Kong’s GDP in 2009, with the creation of 4,800 jobs. Local demand for data centres is expected to experience a compound annual growth of 9.8% between 2009 and 2015.

About CLP Power Hong Kong Limited

CLP Power Hong Kong Limited (“CLP Power”) is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer services to 5.7 million people in its supply area.

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Representatives from the government, data centre users and operators, and CLP come together to witness the commencement of construction work of the CLP Chun Yat Street Substation, the Hong Kong's first substation dedicated to powering data centres. Officiating guests include (from right to left) : Nicholas Brooke, SBS, JP, Chairman, Hong Kong Science & Technology Parks Corporation; Charles Ng, Associate Director-General, InvestHK; Daniel Lai, BBS, JP, Government Chief Information Officer; Paul Poon, Chief Operating Officer, CLP Power Hong Kong; Alfred Sit, JP, Deputy Director-Regulatory Services, EMSD; TF Chow, Director - Power Systems, CLP Power Hong Kong; and Charles Lee, convener of the HK Data Centre Association.



Paul Poon, Chief Operating Officer of CLP Power Hong Kong, introduces various “data-centre friendly” features, including adopting for the first time in HK a segregated twin switchgear room design, connecting independent power sources and a ring network, so as to provide uninterrupted power supply for data centres in the Tseung Kwan O Industrial Estate.