

21 December 2015

## **CLP Power Supply Unaffected by Temporary Suspension of WEPII Natural Gas following Shenzhen Incident**

CLP Power Hong Kong Limited (“CLP Power”) received a notification yesterday (20 December) that the impact of the Shenzhen landslide incident has led to the temporary suspension of natural gas to Hong Kong through the 9,000-km-long Second West-East pipeline (WEPII) as a section of the pipeline was damaged. Upon receiving the notification, CLP Power immediately activated its contingency arrangements to ensure its electricity supply to customers was unaffected.

According to the gas supplier, the area affected has been cordoned off during the rescue operation. The supplier is currently working with local government departments to arrange for repairs to be carried out as soon as possible and CLP Power is closely liaising with concerned parties to get the latest updates and is ready to implement any further arrangements to ensure supply reliability.

CLP Power’s current fuel mix comprises mainly of natural gas, coal and nuclear power. In 2015, natural gas accounted for about 25% of its total fuel mix. Currently, CLP Power’s natural gas supply comes from the WEPII pipeline gas and the Yacheng gas field. A Memorandum of Understanding on energy cooperation signed between the Hong Kong SAR Government and the Central Government in 2008 stipulated that the WEPII pipeline gas will be a long-term power source for Hong Kong. As the Yacheng gas field is gradually depleting, the WEPII gas, which began supplying Hong Kong in 2013, has become CLP Power’s main source of gas supply.

In response to the Shenzhen incident, CLP Power immediately implemented a number of contingency measures to ensure supply reliability. They include increasing generation capacity by using coal-fired units at Castle Peak Power Station and drawing on the generation capacity of the Guangzhou Pumped Storage Power Station. Under the current demand, CLP Power is confident that these measures will maintain supply reliability sufficient to meet customer need.

In support of the government’s policy to increase natural gas in the fuel mix, CLP Power will continue to seek new gas sources to ensure long term gas supply stability with the aim of continuing to provide a safe and highly reliable electricity service for customers.

**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 service to 5.9 million people in its supply area.

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