

23 April 2018

CLP Power Launches Initiatives to Promote Low-Carbon Living under New Scheme of Control Agreement

The new Scheme of Control Agreement (SCA) between CLP Power Hong Kong Limited (CLP Power) and the Hong Kong SAR Government will come into effect on 1 October 2018. Under the agreement, CLP Power will launch a number of new initiatives to encourage the community to embrace low-carbon lifestyles by promoting the development of renewable energy (RE) and energy conservation.

CLP Power has worked diligently to prepare the initiatives since the SCA was signed in April 2017, consulting closely with stakeholders. The new initiatives are as follows:

Feed-in Tariff (FiT) Scheme

The FiT Scheme encourages the development of RE by allowing customers to connect RE systems to the grid and sell the electricity generated back to CLP Power at favourable rates.

Key Features	<ul style="list-style-type: none"> The FiT Scheme is applicable to electricity produced by solar or wind power systems. FiT payments will be made for RE generation once a project is approved and connected to CLP Power's grid. Electricity consumed on the participating customer's premises will be charged at prevailing tariff rates. FiT rates will be higher than the prevailing tariffs to incentivise RE investment and will be paid at three levels depending on the capacity of the RE system. 								
	<table border="1"> <thead> <tr> <th>RE system capacity</th> <th>FiT rate (per unit)</th> </tr> </thead> <tbody> <tr> <td>≤10kW</td> <td>HK\$5</td> </tr> <tr> <td>>10kW to ≤200kW</td> <td>HK\$4</td> </tr> <tr> <td>>200kW to ≤1MW</td> <td>HK\$3</td> </tr> </tbody> </table>	RE system capacity	FiT rate (per unit)	≤10kW	HK\$5	>10kW to ≤200kW	HK\$4	>200kW to ≤1MW	HK\$3
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<ul style="list-style-type: none"> Once agreed, FiT rates will apply for the lifetime of the project up to the end of 2033. FiT rates for new applications may change from time to time, as agreed with the Government. The new rates will apply to new RE systems. 									

	<ul style="list-style-type: none"> Once the FiT Scheme comes into effect, the payback period for RE system investment is expected to be shortened to around 10 years.
Launch Date	<ul style="list-style-type: none"> 1 October 2018
Application Date	<ul style="list-style-type: none"> From 4 May 2018

Renewable Energy Certificates (RECs)

Residential and commercial customers who support clean energy will be able to buy RECs which represent electricity generated by local RE systems, providing a positive platform for RE development in the community.

Key Features	<ul style="list-style-type: none"> RECs represent units of electricity produced by local RE sources including solar, wind, and waste-to-energy whether purchased (e.g. through FiT) or generated by CLP Power. CLP Power's initial thinking is to make available RECs for sale to any CLP Power customer at a minimum of 100kWh, through the payment of a premium on top of the normal price of a unit of electricity. Discussions are being held with Government to set the initial price for RECs. The number of RECs available for sale will match the amount of electricity generated by local RE systems or purchased by CLP Power over a period of time. Revenue generated by RECs will contribute towards the cost of purchasing local RE, thus helping to minimise the costs of electricity as a whole.
Launch Date	<ul style="list-style-type: none"> 1 October 2018

New CLP Eco Building Fund

Key Features	<ul style="list-style-type: none"> The existing CLP Eco Building Fund will be modified and further extended to cover residential, commercial and industrial buildings. The funding will be increased to HK\$100 million each year to carry out the energy efficiency improvement works of the communal areas of the buildings. A vetting committee comprising representatives from different sectors with keen interest in promoting energy efficiency will be set up.
Launch Date	<ul style="list-style-type: none"> 1 October 2018
Application Date	<ul style="list-style-type: none"> From 4 May 2018

CLP Community Energy Saving Fund

Key Features	<ul style="list-style-type: none"> • 65% of the incentives earned from achieving energy saving targets that CLP Power entitles will be allocated to the Fund. • The Fund will support the following initiatives: <ul style="list-style-type: none"> ○ To launch CLP Power Connect Programme, the largest single energy efficiency and conservation campaign ever launched in Hong Kong to encourage residential customers to save energy while CLP Power will offer financial assistance to disadvantaged groups at the preference of the customers; ○ To offer rebates to commercial and industrial customers to replace or upgrade more energy-efficient electrical appliances; and ○ To support the disadvantaged, including sub-divided flat tenants by carrying out rewiring work for meter installation, and providing other assistances for the most needy tenants who may not have benefited from the rewiring programme.
Launch Date	<ul style="list-style-type: none"> • January 2019
Application Date	<ul style="list-style-type: none"> • To be announced in mid-2018

New Arrangement for Fuel Cost Adjustment

Key Features	<ul style="list-style-type: none"> • The Fuel Cost Adjustment in the Total Tariff will be revised more frequently from once a year to once a month. • The new arrangement will be more transparent and will react to fuel price changes in a timely manner. • The annual Tariff Review exercise continues to be in place and a Fuel Cost Adjustment would be set based on a projection of fuel prices for the following year. • Under the new mechanism, the monthly adjustment would be based on the average actual fuel prices over the preceding three months as compared to the fuel prices projected to make adjustment automatically. The Fuel Cost Adjustment will be announced on CLP Power website on a monthly basis and in electricity bills to increase transparency.
Launch Date	<ul style="list-style-type: none"> • 1 October 2018

Energy Audits

Key Features	<ul style="list-style-type: none">• CLP Power will quadruple the number of audits it offers to commercial and industrial customers from 150 to 600 a year.• CLP Power’s energy audits are comprehensive assessments of how energy is used in customers’ premises. They aim to identify Energy Saving Opportunities (ESOs) for proposing cost-effective energy saving projects for customers. CLP Power will then work to help bring these projects to fruition.• Target to help customers achieve a saving of 48 GWh of electricity each year.
Launch Date	<ul style="list-style-type: none">• 1 October 2018

Mr TK Chiang, Managing Director of CLP Power, said: “The new Scheme of Control Agreement will soon come into effect. It marks another milestone for CLP Power in its movement towards a greener, low-carbon economy. In support of the Government’s long-term environmental policy and its carbon reduction target set under the *Hong Kong’s Climate Action Plan 2030+*, CLP Power is increasing the use of natural gas for power generation and introducing a range of new energy saving initiatives for our customers in addition to the safe and reliable electricity supply we deliver. “

Mr Chiang continued, “These new initiatives including FiT, RECs, new CLP Eco Building Fund and CLP Community Energy Saving Fund will be introduced in response to views from our customers, green groups and the wider community for promoting the development of RE and further expanding the work in driving energy efficiency and conservation, as well as to enhancing public education. Our objective is to encourage our customers to make RE development and energy saving an essential part of their daily lives. We look forward to seeing our joint efforts leading Hong Kong towards a new era of low-carbon living.”

CLP Power will closely monitor the progress of each initiative to ensure its smooth implementation and listen closely to customers’ feedback to achieve ongoing improvements and enhance customer experience.

In fact, CLP Power has been encouraging our residential and business customers and the Hong Kong community at large to use energy more efficiently and change their behaviour so that they save energy and help to create a better environment. CLP Power adopts a four-pronged approach in changing people’s habits and helping them to reduce the energy they use. These steps are: (1) Educating the public; (2) Providing customers with information and energy-saving tips; (3) Equipping customers with tools and technical support; and (4) Helping with enablers to make greater energy efficiency possible.

Supplementary Information

Fact sheets:

- [Feed-in Tariff Scheme and Renewable Energy Certificates](#)
- [New CLP Eco Building Fund](#)
- [CLP Community Energy Saving Fund](#)
- [New Arrangement for Fuel Cost Adjustment](#)
- [Renewable Energy Projects in CLP Power's Supply Area](#)
- [CLP Power's Energy Efficiency & Community Care Programmes](#)

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 6 million people in its supply area.

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