

9 November 2021

## **Surging Fuel Prices Drive Up CLP Power Tariffs: Special Rebates and HK\$220 Million in Community Support Announced**

CLP Power Hong Kong Limited (CLP Power) today (9 November) announced its new tariff package for 2022. The Average Basic Tariff for 2022 will be frozen at the same level as 2021 at 93.7 cents per unit of electricity. A sharp rise in international fuel prices, however, means the Fuel Cost Adjustment will be adjusted upwards by 10.5 cents to a total of 38.6 cents per unit of electricity in January 2022. To alleviate the impact on customers, CLP Power will provide two special rebates totalling 3.4 cents per unit of electricity. The Average Net Tariff in 2022 will therefore be 128.9 cents per unit of electricity, equivalent to an upward adjustment of 5.8%. The adjusted tariff will take effect on 1 January 2022.

A total sum of about HK\$2.5 billion drawn from the Tariff Stabilisation Fund, Fuel Clause Recovery Account and Community Energy Saving Fund, along with a Rent and Rates Special Rebate, will be used to ease the burden on customers, resulting in a freeze in the Basic Tariff, two special rebates and a series of community support programmes.

The Special Rebate of 2.1 cents per unit of electricity, together with the Rent and Rates Special Rebate of 1.3 cents per unit of electricity, amounts to a combined rebate of 3.4 cents per unit of electricity which will be offered to all customers in 2022.

A series of community support programmes paid for by about HK\$220 million from the CLP Community Energy Saving Fund will also be launched, encouraging energy saving, helping people in need and stimulating the Hong Kong economy as it rebounds from the pandemic.

CLP Power Managing Director Mr T K Chiang said, "International fuel prices have been surging for more than a year, and have had a profound effect on the power supply industry and tariffs around the world. Hong Kong is not immune to this. We are acutely aware of the impact of tariffs on households, and we understand that many people and businesses, including disadvantaged groups and small and medium-sized enterprises, are still struggling financially. That is why we are supporting Hong Kong people through these challenging times by freezing our Average Basic Tariff, offering two special rebates, and drawing on the CLP Community Energy Saving Fund."

Mr Chiang emphasised CLP Power's commitment to a low-carbon future, saying, "Looking ahead, CLP wholeheartedly supports the Government's mission to make our

city carbon neutral by 2050. We will continue to support the development of renewable energy in Hong Kong, enhance regional cooperation to seek out new zero-carbon energy sources, explore the use of green hydrogen energy to reduce the carbon intensity of our power supply, and further promote the electrification of our transport and other sectors. In transitioning to low-carbon electricity generation, CLP Power continues to adopt careful planning to maintain high levels of safe and reliable supply for our customers.”

“We will continue to support the Government and help customers manage their energy demand and promote energy saving with a host of energy-efficient solutions and support measures, including the Eco Building Fund, the Electrical Equipment Upgrade Scheme, training courses under Retro-Commissioning Charter Programme, and the innovative application of new technology.”

In a relief measure aimed at helping ease the burden on underprivileged households while encouraging energy saving, CLP Power would maintain the Energy Saving Rebate for customers with low levels of consumption.

The Government is currently in talks with power companies to review the rates for the Feed-in Tariff (FiT) Scheme and Renewable Energy Certificates following a fall in the cost of distributed renewable energy systems in recent years, and the results of those discussions will be announced in due course.

### **2022 Tariff**

| <b>Tariff Component</b>          | <b>January 2021 Tariff<br/>(cents per unit)</b> | <b>Changes<br/>(cents per unit)</b> | <b>January 2022 Tariff*<br/>(cents per unit)</b> |
|----------------------------------|---|-------------------------------------|--|
| Average Basic Tariff             | 93.7  | Freeze                              | <b>93.7</b>                                      |
| Fuel Cost Adjustment             | 28.1  | +10.5                               | <b>38.6</b>                                      |
| 2022 Special Rebate              | -   | -2.1                                | <b>-2.1</b>                                      |
| Rent and Rates<br>Special Rebate | -   | -1.3                                | <b>-1.3</b>                                      |
| <b>AVERAGE NET TARIFF</b>        | 121.8   | +7.1                                | <b>128.9</b>                                     |

\* *Effective from 1 January 2022*

CLP Power will publish details of its 2022 tariff package on its website ([www.clp.com.hk](http://www.clp.com.hk)) and in newspaper advertisements.

CLP Holdings Limited today also issued an announcement on the Hong Kong Stock Exchange about the Government's approval of additional capital expenditure for CLP Power's 2018-2023 Development Plan. Please click [here](#) to see the details.

Please click [here](#) to see CLP Power's presentation document from the press conference on 9 November.

Please click [here](#) to see details of the 2022 community support programmes announced by CLP Power on 4 November.

**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 six million people in its supply area. In 2021, CLP celebrates the 120th anniversary of its founding in Hong Kong with a commitment to continue to move forward with the community based on a shared vision of a better tomorrow.

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