

9 March 2023

## **CLP Power Offers a Three-month Special Fuel Rebate To Boost Post-epidemic Economic Recovery and Alleviate Customers' Financial Burden**

CLP Power Hong Kong Limited (CLP Power) announced today (9 March) that a three-month special fuel rebate will be offered to all CLP Power customers starting from April. The aim is to further smooth out the changes in fuel costs and to help alleviate customers' financial burden when the economy is on the path to recovery after the epidemic.

In March, the Fuel Cost Adjustment is 62.8 cents per unit of electricity as per the Monthly Fuel Cost Adjustment mechanism. Funds will be drawn from the Fuel Clause Recovery Account (FCA) to provide a special fuel rebate to all CLP Power customers in April to June, capping the Fuel Cost Adjustment at 62.8 cents per unit of electricity, so that the amount to be paid by the customers will remain unchanged.

As the actual level of Fuel Cost Adjustment for April to June is not yet available, if it is higher than 62.8 cents per unit of electricity, the special fuel rebate will kick in to maintain the level of Fuel Cost Adjustment at 62.8 cents per unit of electricity. If the level is lower than 62.8 cents per unit of electricity, the actual level of the Fuel Cost Adjustment of the respective month will be adopted for calculating the tariff. The estimated total amount of special fuel rebate between April and June will be around HK\$80 million to HK\$100 million.

CLP Power Managing Director Mr T.K. Chiang said: "We understand this time is an important period of recovery for Hong Kong. In order to support the community and sustain the recovery momentum, we are offering customers a special fuel rebate to reflect the positive developments in fuel prices seen earlier and help mitigate the impact of fuel cost fluctuations."

Mr Chiang added, "The international oil prices have fallen from higher levels and we can see signs of a stabilising trend. We hope this trend will continue. In recent weeks, coal prices have fallen too. If the international oil and coal prices continue to stay at lower levels, we believe that our customers will soon see a reduction in the Fuel Cost Adjustment, easing their tariff pressure."

The actual fuel costs are reflected in the Fuel Cost Adjustment and CLP Power does not profit from it. From 1 October 2018, CLP Power's Fuel Cost Adjustment in the Total Tariff is revised more frequently from once a year to once a month. The arrangement reflects the actual fuel costs we experience in a more timely manner and with greater transparency. The Fuel Cost Adjustment is revised by calculating the average fuel price over the preceding three months compared with the projected fuel prices set out in the annual Tariff Review. The three-month average calculation helps smooth out any impact from short term fuel price volatility. The monthly Fuel Cost Adjustment is published on CLP Power's website and in electricity bills.

The energy crisis has had a profound impact globally. Fuel costs have been surging over the past two years. CLP Power has made tremendous efforts to implement cost saving initiatives to minimise the magnitude of tariff adjustment. In 2023, we continue to freeze the Average Basic Tariff at 93.7 cents per unit of electricity – at the same level for three consecutive years.

Our prudent cost control to minimise expenditure ensures we can use savings flowing into the Tariff Stabilisation Fund to provide the 2023 Special Energy Saving Rebate for lowering customers' electricity expenses. We also alleviate the tariff pressure on customers and promote energy saving among different sectors by setting aside HK\$200 million from the CLP Community Energy Saving Fund to launch a series of community support programmes, including allocating HK\$100 million to the CLP Fuel Cost Subsidy Programme for subsidising the fuel expenses of 150,000 eligible underprivileged households including 50,000 tenants of subdivided units to enhance support for families in need.

#### **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 more than six million people in its supply area.

- Ends -