

27 March 2023

**Remarks by CLP Power Managing Director  
before the Legislative Council Panel on Environmental Affairs Meeting**

CLP Power Hong Kong Limited (CLP Power) today (27 March) attended the Legislative Council Panel on Environmental Affairs meeting to provide an update on Fuel Cost Adjustment under the Monthly Fuel Cost Adjustment mechanism. The following is an English translation of the remarks made by CLP Power Managing Director Mr T.K. Chiang before the meeting:

CLP Power is acutely aware of the impact of tariffs on households. Today, we will introduce to the Panel on Environmental Affairs the features of the Monthly Fuel Cost Adjustment mechanism, and how it works to smooth out short-term fluctuations in international fuel prices so as to mitigate the impact on customers' electricity bills.

Amid the pressure of rising costs in various aspects, CLP Power has endeavoured to control costs and continues to freeze the Average Basic Tariff at 93.7 cents per unit of electricity in 2023 – at the same level for three consecutive years.

We also continue to proactively procure competitively-priced fuels from the market and explore new fuel supply sources, hoping to reduce fuel costs.

We understand that customers are keen to stay updated on the latest Fuel Cost Adjustment. According to the mechanism, the Fuel Cost Adjustment for CLP Power in April will be 63.5 cents per unit of electricity, a slight increase from last month. As we have committed earlier, we will cap the Fuel Cost Adjustment at 62.8 cents per unit of electricity by offering a Special Fuel Rebate in the coming three months. Therefore, the actual amount to be paid by customers in April will remain at 62.8 cents per unit of electricity, at the same level as in March.

In addition, to alleviate the electricity cost burden on the underprivileged, we have launched the CLP Fuel Cost Subsidy Programme through the CLP Community Energy Saving Fund, providing a one-time fuel cost subsidy of HK\$600 to 100,000 families in need. We shall also distribute one-off fuel cost subsidies to 50,000 tenants of

subdivided units, each at HK\$800. I am glad to share that we have decided to increase the subsidy to each tenant of subdivided units to HK\$1,000. The total funding for the subsidy programme amounts to HK\$110 million, benefitting 150,000 underprivileged households. Details can be found on the programme website and applications will be open starting 30 March.

Recently, international oil prices have fallen from higher levels and shown signs of stabilising. We hope this trend will continue. In the past few weeks, coal prices have also decreased significantly. If 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.

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

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