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中華電力有限公司  
CLP Power Hong Kong Limited

## **CLP Power's Five-Year Development Plan to Fuel Hong Kong's Revitalisation and Development 2024 Tariffs to be Revised Downward**

CLP Power Hong Kong Limited (CLP Power) today welcomed the decision by the Executive Council of the Hong Kong SAR Government to approve its Development Plan for 2024-2028, and announced a downward adjustment of tariffs which will come into effect from 1 January 2024.

As international fuel prices have fallen from their peak, the Fuel Cost Adjustment will be reduced from 62 cents per unit of electricity in January 2023 to 46.3 cents per unit of electricity. Meanwhile, the Average Basic Tariff – which has been maintained at the same level for three consecutive years – will increase slightly from 93.7 cents per unit of electricity to 96.6 cents per unit of electricity. The Average Net Tariff in 2024 will therefore be 142.9 cents per unit of electricity, representing a 7.4% reduction from 154.4 cents per unit of electricity at the beginning of this year.

CLP Power's Development Plan, covering the period from 1 January 2024 to 31 December 2028, projects a capital expenditure of approximately HK\$52.9 billion, HK\$3.2 billion less than the investment of HK\$56.1 billion in the previous Development Plan, to provide strong support for Government's policy priorities. The new Development Plan focuses on a range of investments to underpin Hong Kong's accelerating economic and infrastructural development, continued delivery of a world-class reliable electricity system, the transition to a smart and resilient city, and continuation of the decarbonisation journey.

CLP Power Managing Director Mr Joseph Law said, "Hong Kong has emerged from the pandemic and the business and social life of the city has returned to normal. In the coming years, the Hong Kong SAR Government will focus on developing new areas of economic growth in line with our nation's development and reinforcing Hong Kong's distinctive advantages as a global city."

"Our new five-year plan supports the Government's policy objectives by keeping pace with demand for energy from new development areas and large-scale infrastructure projects, new energy transportation and more housing. We are committed to strongly

supporting Hong Kong’s long-term development, leveraging on our distinctive advantages under the ‘One Country, Two Systems’ principle.”

Mr Law added, “CLP’s tariff adjustments have been relatively stable over the years, thanks to prudent cost management and control, and the strategy of using a diversified fuel mix of more natural gas, less coal, and importing zero-emission and relatively stable-priced nuclear power to mitigate the impact of fuel cost volatility.”

“International fuel prices have fallen from their peak, relieving fuel cost pressure. The Average Net Tariff in 2024 will be lowered by 7.4% to 142.9 cents per unit of electricity and will ease the tariff pressure on customers.”

Based on the approved capital investment, and taking operational costs into account, the estimated average annual increase in the Basic Tariff over the next five years will be around 2.2%, lower than the anticipated rate of inflation for the same period.

In addition, the 2023 Interim Review of the Scheme of Control Agreement between CLP Power, Castle Peak Power Company Limited (CAPCO) and the Hong Kong SAR Government has been completed. Agreements were reached on the incentive and penalty mechanism, fuel cost arrangements in the event of a fuel crisis and improvements to information transparency.

### **2024 Tariff**

<b>Cents/ Unit of electricity</b>	<b>January 2023</b>	<b>January 2024</b>	<b>Change</b>
Average Basic Tariff	93.7	96.6	+2.9
Fuel Cost Adjustment	62.0	46.3	-15.7
Rent and Rates Special Rebate*	-1.3	-	+1.3
<b>Average Net Tariff</b>	<b>154.4</b>	<b>142.9</b>	<b>-11.5 (-7.4%)</b>

*\*In 2023, CLP provided a Rent and Rates Special Rebate at 1.3 cents per unit of electricity to customers. Since the Government refunds of overcharged rents and rates received by CLP were fully rebated to customers by 28 April 2023, the Rent and Rates Special Rebate was discontinued from 29 April 2023.*

### **Forecast tariff path under CLP Power's five-year Development Plan<sup>#</sup>**

<b>Year (cents per unit)</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Average Basic Tariff	96.6	100.3	101.5	102.7	104.4
Fuel Cost Adjustment	46.3	43.7	46.2	47.4	47.7
<b>Average Net Tariff</b>	<b>142.9</b>	<b>144.0</b>	<b>147.7</b>	<b>150.1</b>	<b>152.1</b>

*# Projected electricity tariffs for 2025-2028 are estimated figures only. The actual tariffs charged to customers each year will be determined by annual tariff reviews which take into account a variety of factors, in particular prevailing fuel costs. The average Basic Tariff Rate during the entire new Development Plan period is expected to increase at an annual rate of 2.2%.*

Between January and October 2023, as a result of the reduction in fuel cost adjustments, special rebates and various Government subsidies etc., there were approximately 2.7 million bills that CLP residential customers did not have to pay, representing about 22% of CLP's total residential customer bills.

Since 2019, CLP Power has allocated a total of approximately HK\$800 million through the CLP Community Energy Saving Fund (CESF) to launch different programmes to support people in need and encourage energy saving.

In 2024, we will continue to allocate over HK\$200 million from CESF to launch a range of community support programmes. Approximately HK\$70 million will be used to assist underprivileged families, including residents of subdivided units, by providing electricity subsidies and enhancing home electrical safety. In addition, CESF will also subsidise eligible schools and non-governmental organisations to purchase and install solar energy systems, provide funding to equip Community Living Rooms with energy-efficient electrical appliances and education resources relating to energy saving and conservation to improve the wellbeing of the underprivileged, and issue CLP Retail and Catering Coupons to boost local consumption.

CLP Holdings Limited today issued an announcement to the Hong Kong Stock Exchange on the approval of its Development Plan for 2024-2028 by the Executive Council of the Hong Kong SAR Government. Please click [here](#) to read the announcement.

CLP Power also announced that it will further extend its free electric vehicle charging service until further notice.

#### **Supplementary information:**

[Presentation document](#) submitted by CLP Power to Legislative Council Environmental Affairs meeting on 28 November 2023.

[Community support programmes under the CLP Community Energy Saving Fund](#)

### **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.

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