

10 December 2019

Multiple Measures to Offset Tariff Increase Additional HK\$200 Million Relief Programmes for People in Need

Hong Kong is facing immense economic challenges. CLP Power Hong Kong Limited (CLP Power) today (10 December) announced that it will relieve the tariff pressure for all Small-and-Medium Enterprise (SME) customers from the increased use of natural gas for low-carbon power generation in 2020 through a subsidy. The subsidy is part of a more-than-HK\$200 million CLP Power's relief plan that will benefit different sectors of the community, including the underprivileged sub-divided unit tenants who do not benefit from the Government's electricity charges relief schemes.

The CLP Power's subsidy will offset the upward adjustment in the Net Tariff for the first six months of 2020 for all 320,000 SMEs. The combined effect of the relief measures provided by the Government and CLP Power will alleviate the electricity cost burden for all walks of life in the community as a result of the substantial increase in the use of the cleaner natural gas.

At a meeting of the Legislative Council's Panel on Economic Development, Managing Director of CLP Power Mr. T K Chiang said, "Hong Kong is facing unprecedented challenges as a result of the recent social events and global economic downturn and its economy is expected to weaken further in the coming year. To provide support to relieve people's hardship and help meet their needs, CLP will allocate more than HK\$200 million to introduce a number of programmes on top of Government relief measures to help SMEs as well as people in need. We hope more corporations will follow our example and to the positive momentum aimed at reviving our economy."

From 1 January 2020, CLP Power will raise the Average Basic Tariff by 1.2 cents per unit of electricity. The rise will be offset by a Rent and Rates Special Rebate of 1.2 cents per unit of electricity for the entire year, meaning in effect the net Basic Tariff customers will pay will remain unchanged from 2019 at 91 cents per unit of electricity.

In support of the Government's environmental policy, the use of natural gas will increase substantially from about 29% in 2019 to about 50% of the fuel mix for power generation in 2020. As a result, the Fuel Cost Adjustment will be increased by 3 cents to 30.8 cents per unit of electricity. The Average Net Tariff will therefore be 121.8 cents per unit of electricity, equivalent to an adjustment of 2.5%.

To alleviate the cost burden on SME customers from the extra electricity expenses incurred by the increased Fuel Cost Adjustment in 2020, CLP Power will provide a subsidy to all SME customers (customers who fall under the Non-Residential Tariff category). The subsidy will offset the impact of the rise in the Fuel Cost Adjustment for the first six months of 2020, meaning SME customers will not experience any tariff increase for that period. The subsidy, totalling HK\$150 million, is expected to be given to around 320,000 SME customers.

CLP Power will also continue to offer the Energy Saving Rebate Scheme to support customers with low consumption levels and encourage energy conservation.

2020 will be a milestone year in CLP Power's journey towards low-carbon power generation in line with the Government's environmental policy. As the proportion of gas-fired power generation increases, CLP Power's carbon intensity will drop by 20%. The environmental impact will make CLP's carbon emissions performance one of the best in Asia, outperforming Japan, Germany, the US, and South Korea, and comparable to the average rate of all countries in the Organisation for Economic Co-operation and Development (OECD).

CLP will also introduce a range of other relief measures to assist people in need. They include the following programmes:

1. HK\$20 million will be allocated for a four-month "Let's Eat and Cheers" programme where restaurant coupons will be offered to 100,000 families in need to show care as well as revitalising the catering industry and driving economic activity in Hong Kong.
2. HK\$7 million will be given to tenants of sub-divided units who do not benefit from the Government's electricity charges subsidy scheme. A total of 10,000 households are each expected to receive a subsidy of HK\$600 under this scheme. CLP Power will also continue to subsidise landlords of sub-divided units for rewiring works and the installation of individual electricity meters to improve the living environment for tenants.
3. HK\$25 million will be spent on continuing the Power Connect programme in 2020. This programme provides electricity subsidies to elderly people, low-income families and disabled people, while encouraging all customers to save energy.
4. HK\$10 million will be provided for scholarships for disadvantaged students in Vocational and Professional Education and Training institutions to enhance their education and career prospects.
5. HK\$10 million will be made available to provide energy-efficient electrical appliances for transitional housing units over three years from 2020. Of this, HK\$2 million will be used in 2020 to help an estimated 2,000 households.

In addition, from 1 January 2020, the rates for the Feed-in Tariff Scheme and the Renewable Energy Certificate programme will remain unchanged.

CLP Power will publish details of its new tariff on its website (www.clp.com.hk) and in newspaper advertisements.

Further information can be downloaded from the following link:

[Presentation document submitted by CLP Power to Legislative Council Panel on Economic Development Meeting on 10 December 2019](#)

Fact Sheets:

- [Assistance for Small and Medium Enterprises](#)
- [Support for People Living in Sub-Divided Units](#)
- [Assistance for People 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 services to 6 million people in its supply area.

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