

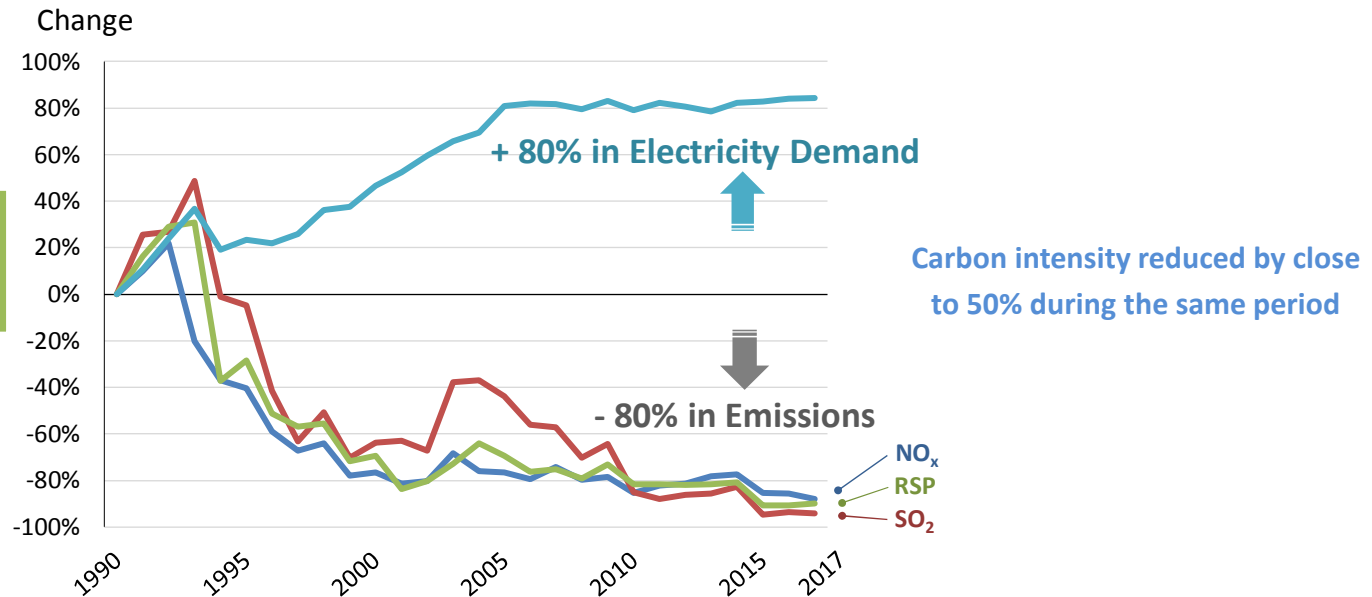
2018 Development Plan and New Tariff Package

Presentation to Legislative Council Economic Development Panel

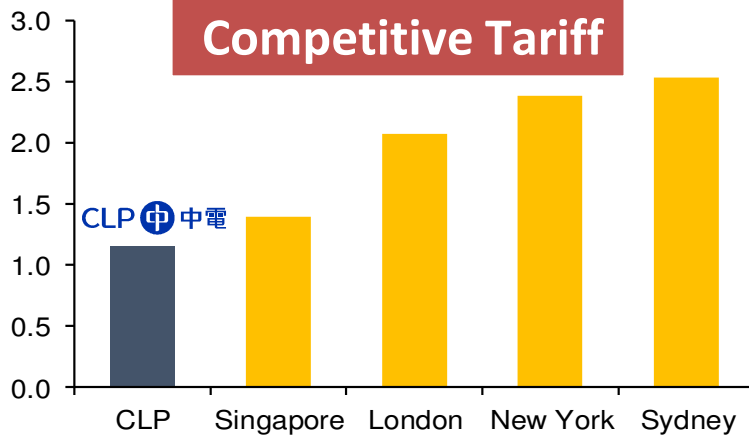
4 July 2018

Meeting Energy Policy Objectives

Environmental Improvement



HK\$/kWh



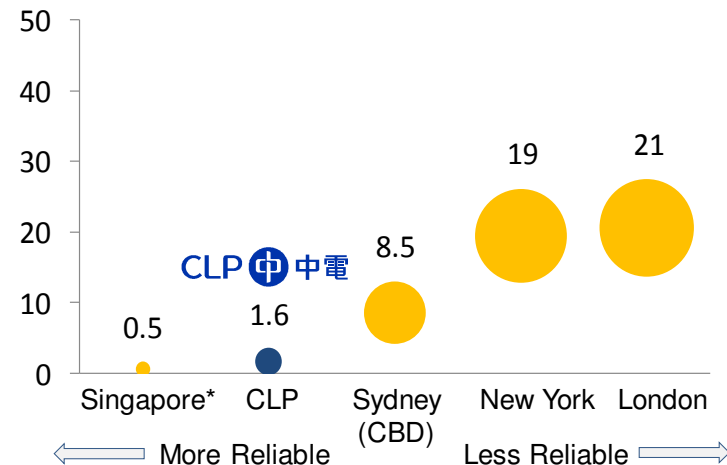
Remarks

Based on avg. monthly domestic consumption of 275kWh
Tariff and exchange rate* in Jun 2018

*Average midpoint exchange rate of 1-15 Jun 2018

CLP 中電

Unplanned customer minutes lost per year



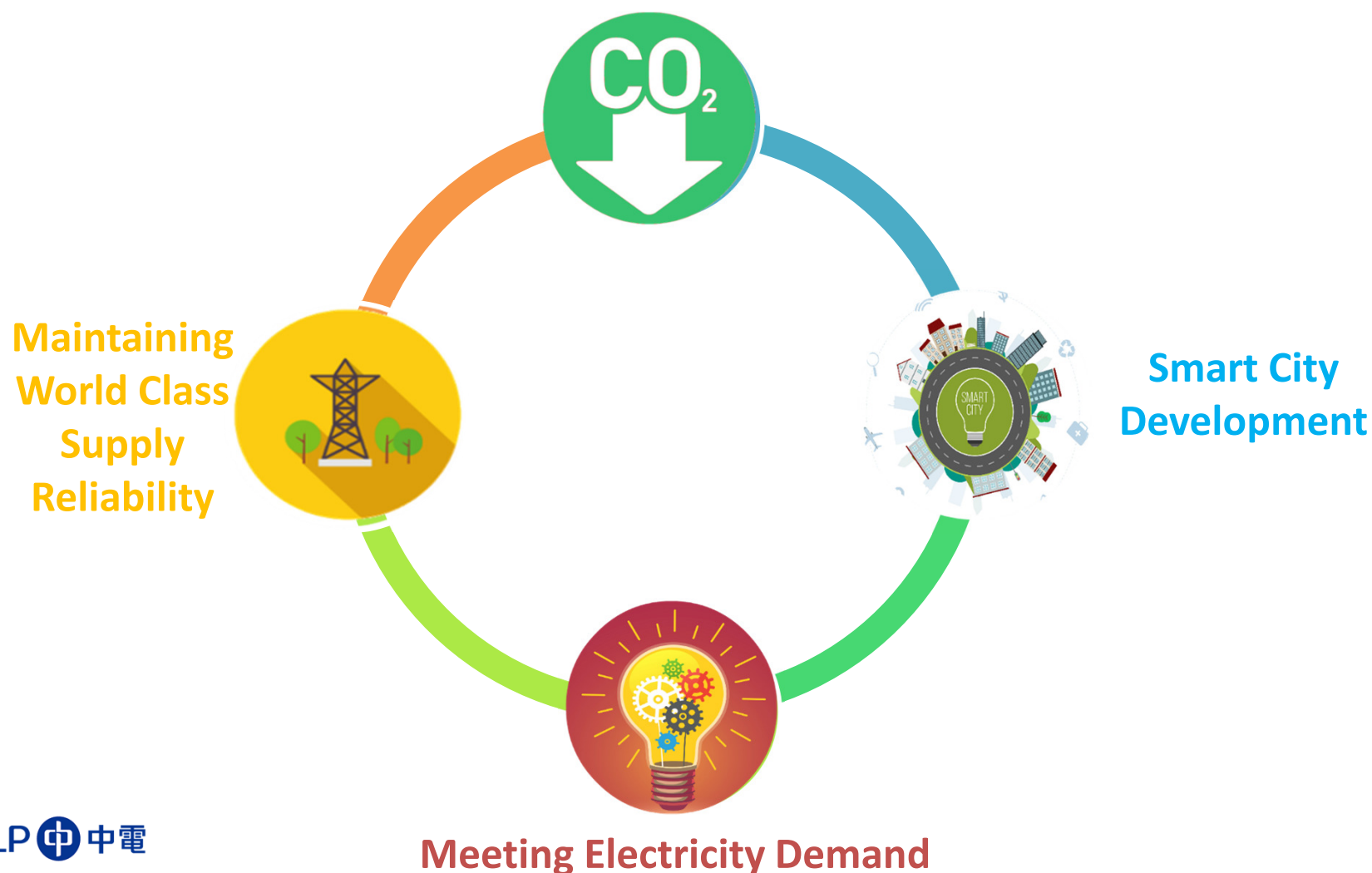
Remarks

2015-2017 avg. for CLP and NY, 2014-2016 avg. for other cities
There is no overhead line in Singapore

Hong Kong : A Greener & Smarter City

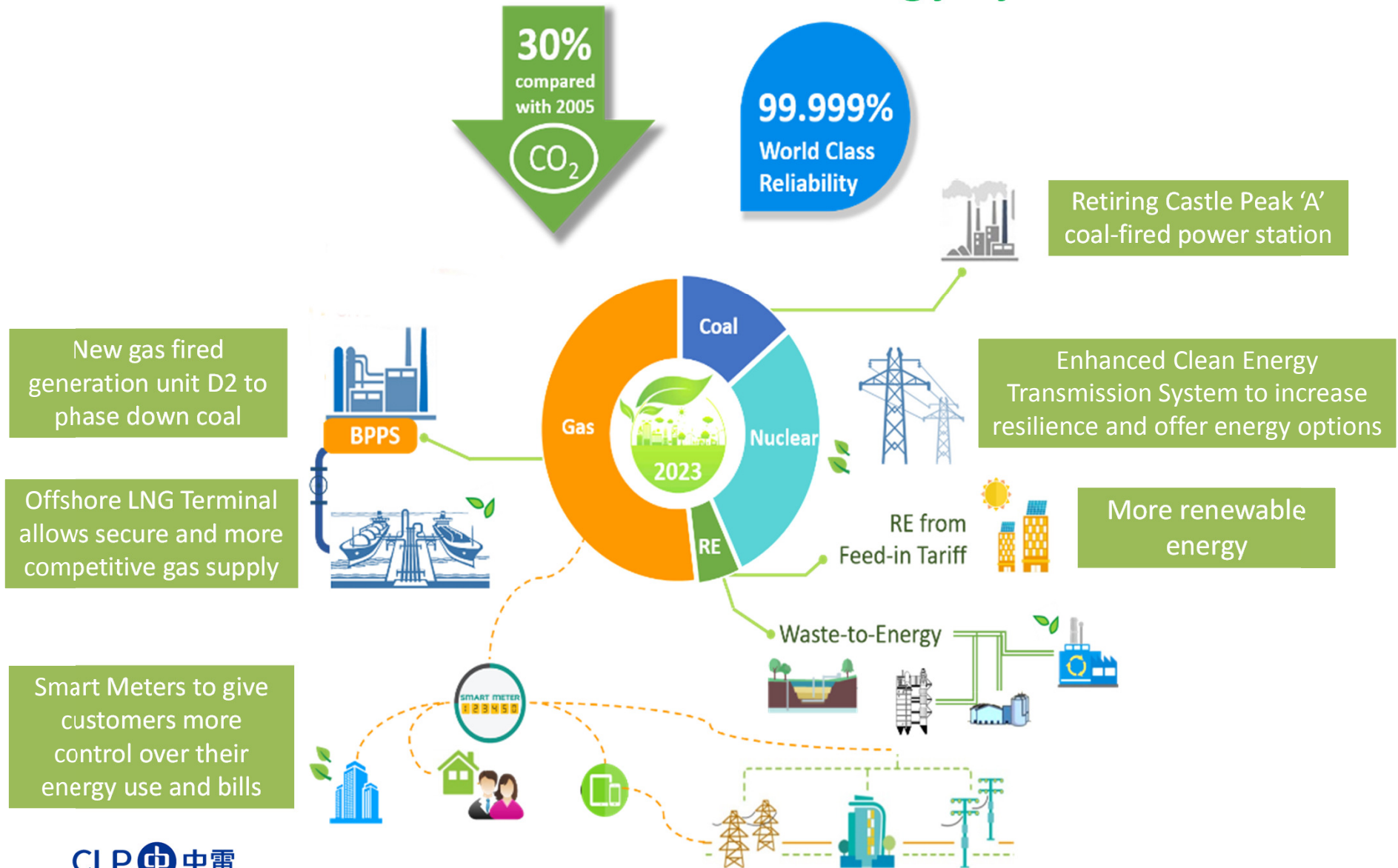
CLP in support of Hong Kong's Climate Action Plan 2030+

Low Carbon Economy



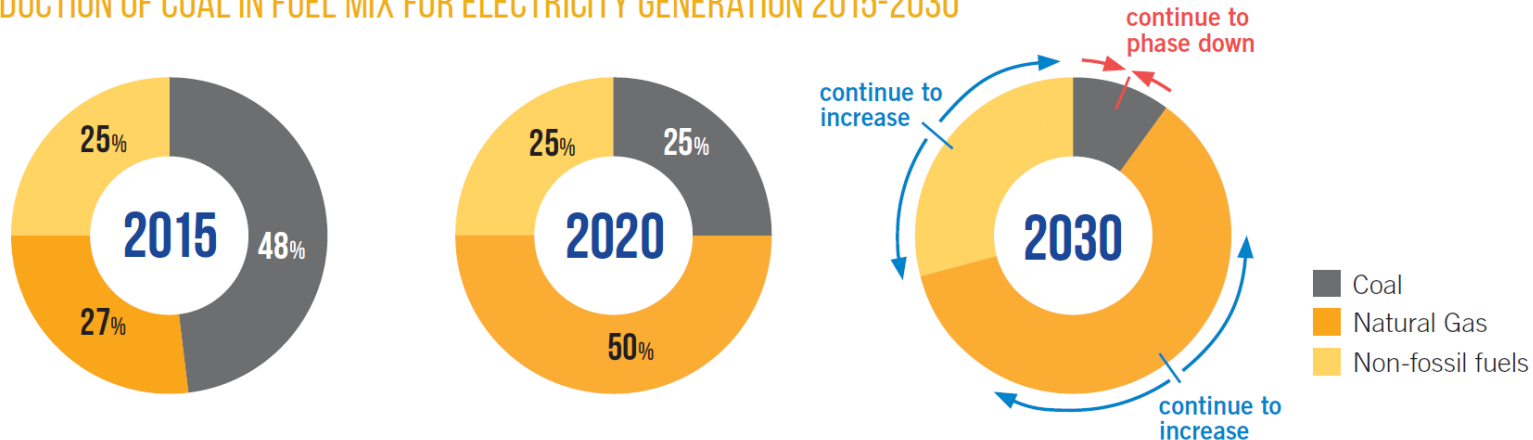
2018 Development Plan

A Greener and Smarter Energy System



Phasing Down Coal

REDUCTION OF COAL IN FUEL MIX FOR ELECTRICITY GENERATION 2015-2030



New CCGT Generating Unit D2



HK Offshore LNG Terminal



Clean Energy
Transmission System
Enhancement

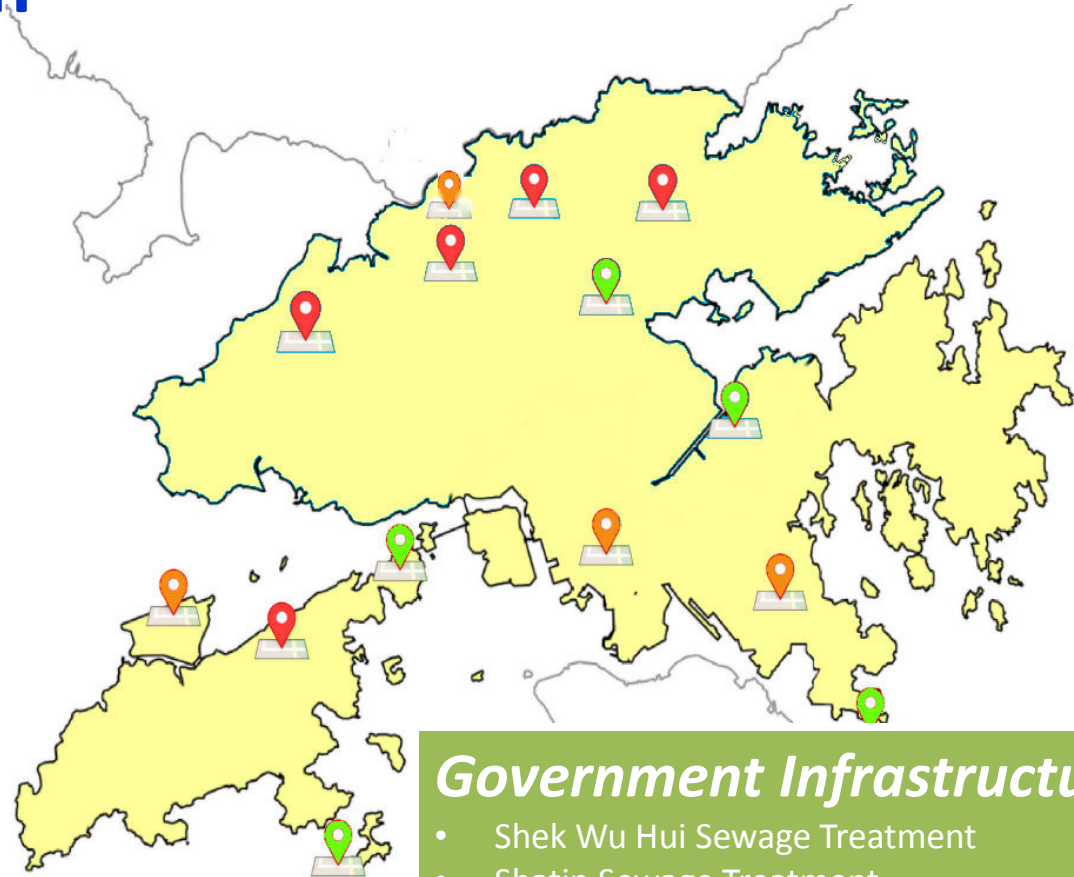
Supporting Infrastructure Development and Population Growth

New Towns

- Hung Shui Kiu
- Kwu Tung North
- Fanling North
- Queen's Hill
- Tung Chung

Key Developments

- Ho To Development
- Kai Tak Development
- Kwun Tong Redevelopment and Energising Kowloon East
- Airport Development



Government Infrastructure

- Shek Wu Hui Sewage Treatment
- Shatin Sewage Treatment
- HZMB/BCF/TM-CLK Link
- Integrated Waste Management Facility
- Desalination Plant

Supporting Hong Kong as a Smart City



Improved Products and
Services to Customers



Improved Utility Operations



Smart Meters supporting
smart city development

Safety and Reliability

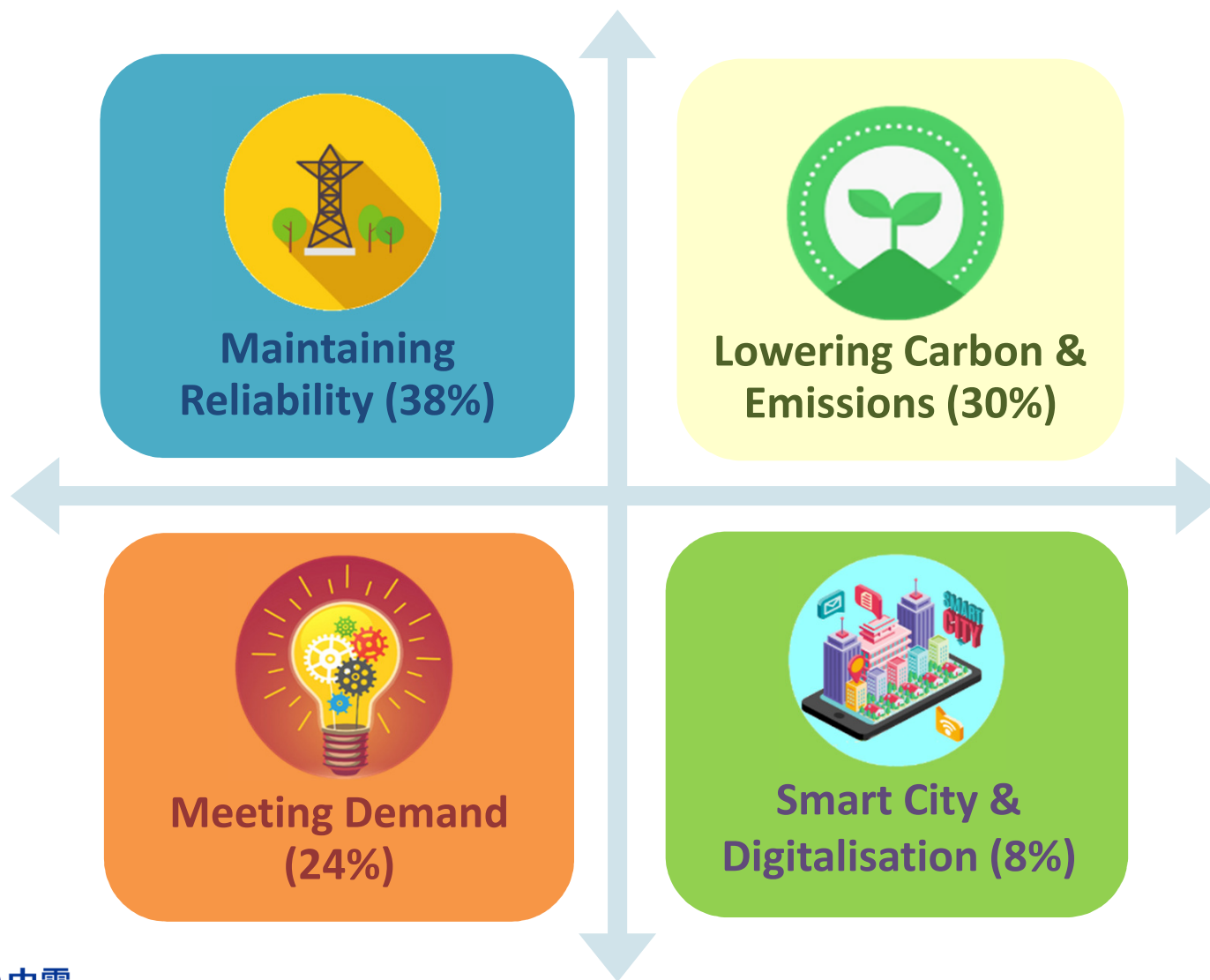


Improved Energy Efficiency

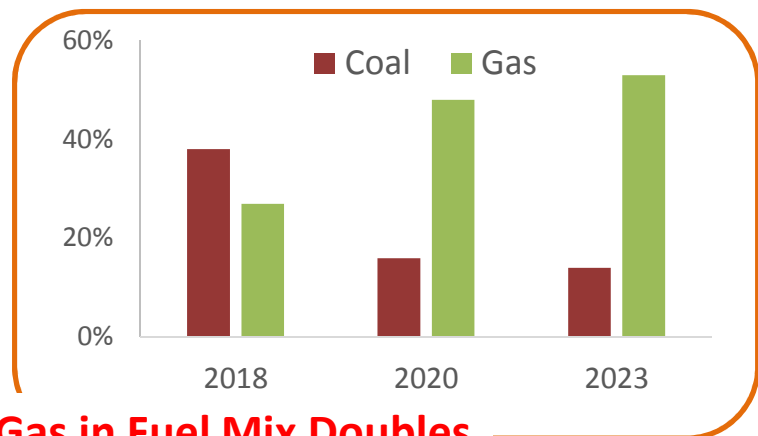


Capital Investment

Total HK\$ 52.9 billion for Oct 2018 – Dec 2023 (5 years and 3 months)



Rising Fuel Costs



Gas in Fuel Mix Doubles

April 2018	
Energy Cost per Unit Sent Out	¢/kWh
Coal	34
Gas	78
Nuclear	50

Gas is a higher-cost fuel

More gas = higher fuel costs

~ \$13 billion

~ \$16 billion
(+20%)

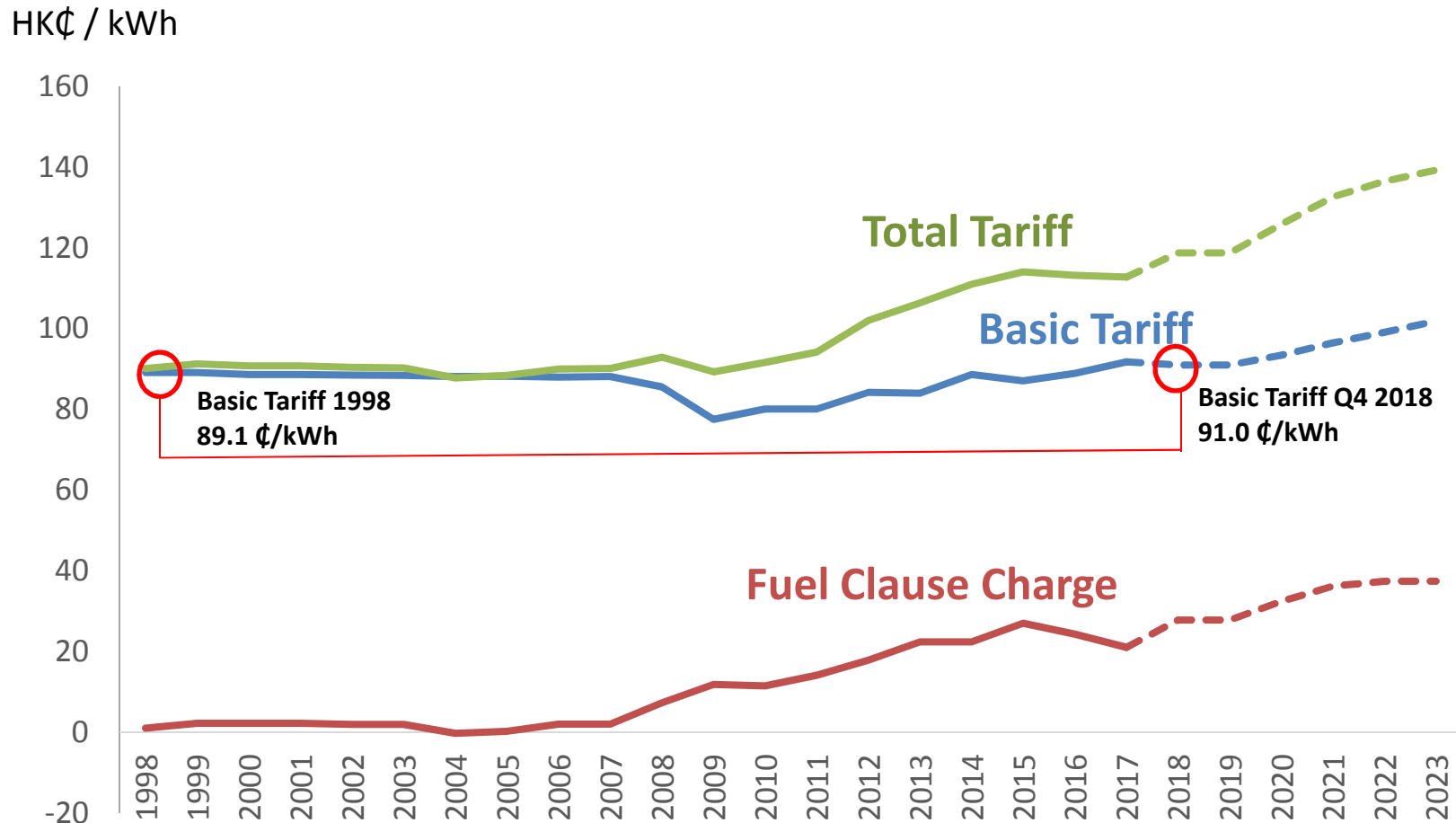


2018



2023

Fuel Costs the Challenge to Tariffs



Basic Tariff only up by 2% over 20 years
Total Tariff rise is mainly driven by rising fuel costs

Oct 2018 – Dec 2019 Tariff

Tariff Component (cents / kWh)	Jan – Sep 2018 Tariff	Change	Oct 2018 – Dec 2019 Tariff
Average Basic Tariff	94.5	-3.5	91.0
Fuel Cost Adjustment	22.0	+5.8	27.8
Rent & Rates Special Rebate	-1.1	0	-1.1*
Average Net Tariff	115.4	+2.3	117.7 (+2.0%)

* At some point in Q4 2018 or in 2019, the Rent and Rates refund available from Government as a “R&R Special Rebate” is expected to be used up, when the Net Tariff will be increased by 0.9% from 117.7¢/kWh to 118.8 ¢/kWh

**Over 70% of Residential Customers will have
tariff increase less than \$10 per month**

2018 Development Plan

2018 DP Period						
Year	Q1-3 2018	Q4 2018 & 2019	2020	2021	2022	2023
Basic Tariff (HK\$/kWh)	94.5	91.0	93.4	96.5	99.1	101.9
Change	-	- 3.7%	+ 2.6%	+ 3.3%	+ 2.7%	+ 2.8%

Average Basic Tariff increase of 1.4% per year

New Scheme of Control Agreement

Key Initiatives

- Leading to A Greener and Smarter City
- Caring for the needy

Feed-in Tariff

Renewable Energy Certificate

Eco-Building Fund

Community Energy Saving Fund

Enhanced Energy Audits



2018 Development Plan and New Tariff Package

Presentation to Legislative Council Economic Development Panel

4 July 2018