Explanatory Note for Fuel Mix & Energy Costs

Fuel Mix & Energy Costs web page:

Key Features

1. “Fuel Mix & Energy Costs” web page
   - Published under the section of “Green Tools”, the web page aims to provide a set of data in relation to energy costs for the supply of electricity to our customers.
   - In the web page, energy refers to nuclear energy and fuel which includes coal, gas and others (e.g. oil).

2. Monthly Energy Costs Breakdown
   - The monthly energy cost breakdown comprises two sets of data, namely the electricity sent out to our customers and the energy cost derived from local sales in that month.
   - Nuclear purchased by CLP from Daya Bay Nuclear Power Station is already in the form of electricity, which is different from the fuel (i.e. coal, gas and others) CLP purchases for power generation. As shown in the pie charts, nuclear is...
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distinct from fuel.

Electricity Sent Out by energy types
- Electricity Sent Out refers to the amount of electricity produced by power plants after deducting the amount used by the plants, which is then sent out to customers through the power grid for meeting local demand.
- The pie chart shows a breakdown of electricity sent out in the month by nuclear and by generation from different fuel types: coal, gas and others (e.g. oil). The amount of electricity derived from each fuel type and its percentage in CLP’s current energy/fuel mix are indicated.

![Pie chart showing energy cost by fuel type]

Note:
Total may not be the exact sum of numbers shown here due to rounding
Others include oil, interconnection and energy from waste

Energy cost of the generation to meet local electricity demand
We use nuclear electricity, and utilise coal, gas and oil as fuel to supply electricity for our customers to use. We pay for nuclear electricity as part of CLP Power's operating costs which are recovered through the basic tariff. Fuel used in our power stations is charged as fuel expenses and also recovered from customers in the basic tariff through a standard cost of fuel. However, as these costs will vary over time, the total fuel costs may be higher (or lower) than the standard cost of fuel, so the balance will be charged (or rebated) to customers through the Fuel Cost Adjustment mechanism.

Energy Cost by energy types
- Total energy cost comprises the cost of nuclear electricity and the cost of fuel. Nuclear is purchased in the form of electricity and CLP pays for it as part of our operating costs, which are recovered through the basic tariff. Fuel used in our power stations (i.e. coal, gas and others) is charged through the basic tariff and the Fuel Cost Adjustment mechanism.
- The pie chart shows a breakdown of total energy cost incurred for nuclear energy and each fuel type in the month for meeting local electricity demand.
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Energy cost of the generation to meet local electricity demand

- This part explains how CLP collects energy and fuel costs through the charging mechanism