

CLP* 2014 Development Plan and 2014 Tariff

Briefing to the Legislative Council Economic Development Panel

10 – 12 – 2013

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Remark*: "CLP/CAPCO" are collectively represented by "CLP"

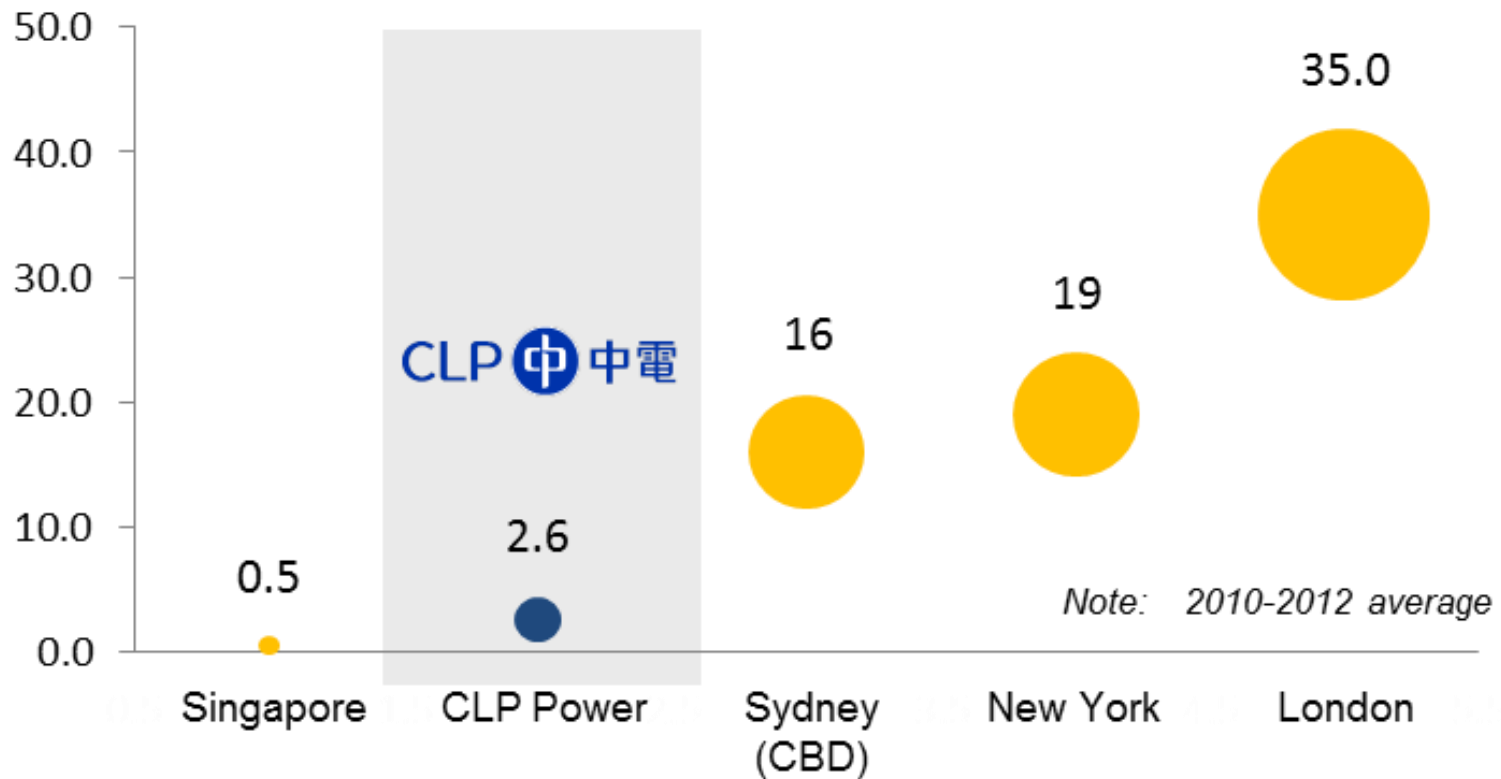
Background Information

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World Class Reliability

Unplanned customer minutes lost per year



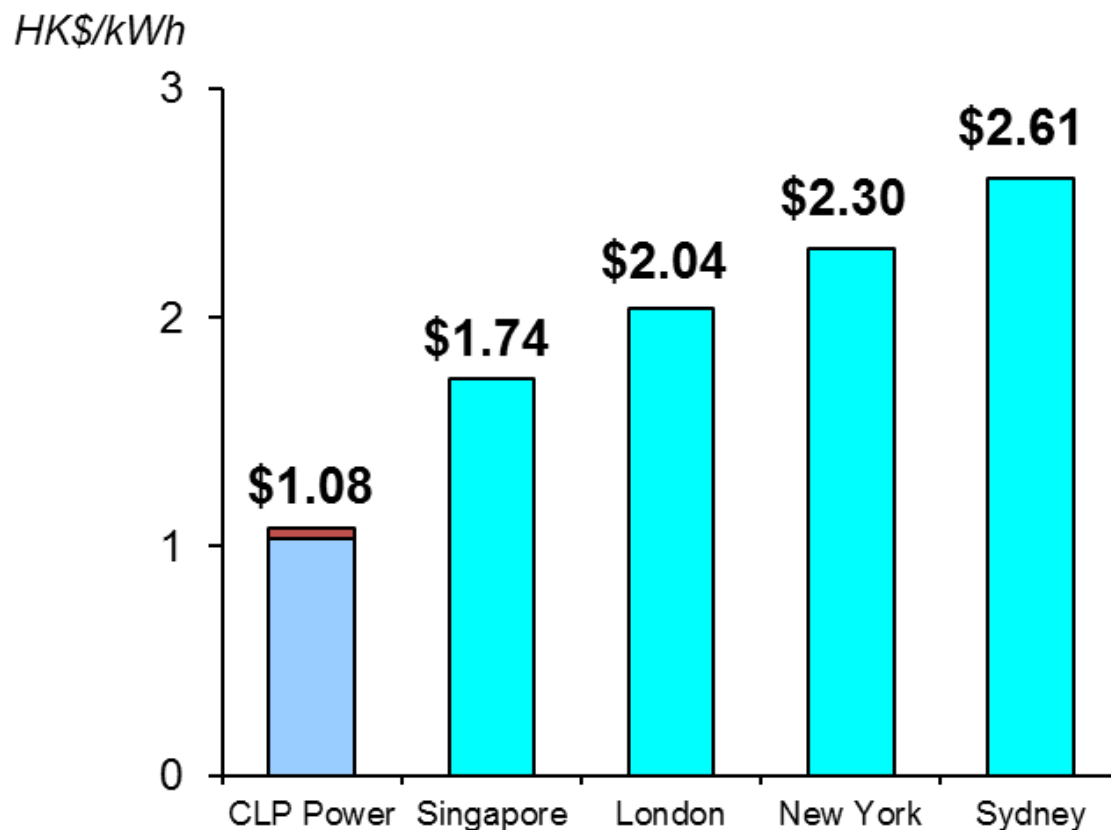
←
More Reliable

→
Less Reliable

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Competitive Tariff



Remarks:

Comparison based on average monthly domestic consumption of 275kWh
Tariff and exchange rate at November 2013

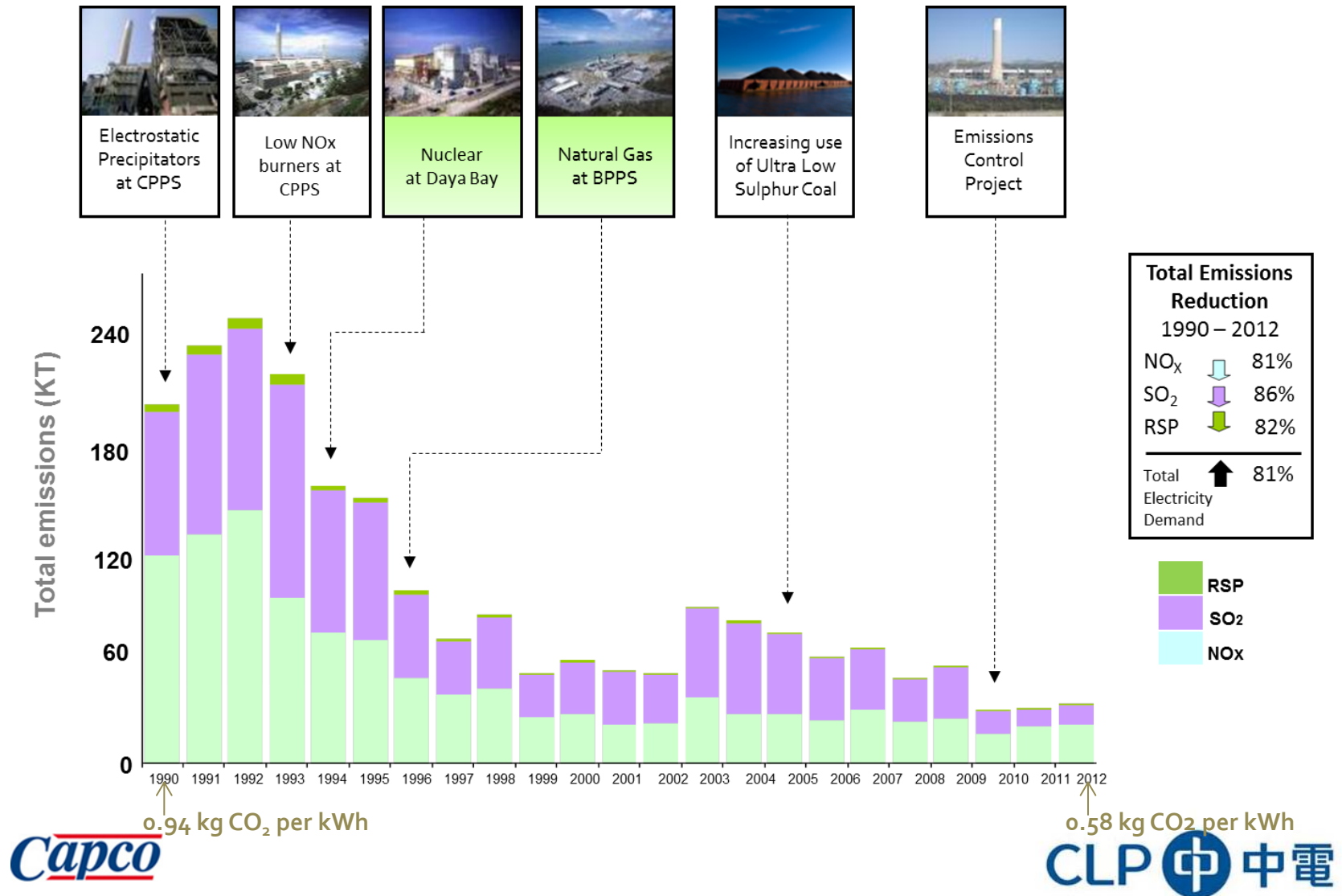
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CLP 2014 tariff adjustment

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Strive to Minimize Environmental Impact



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2014 Development Plan

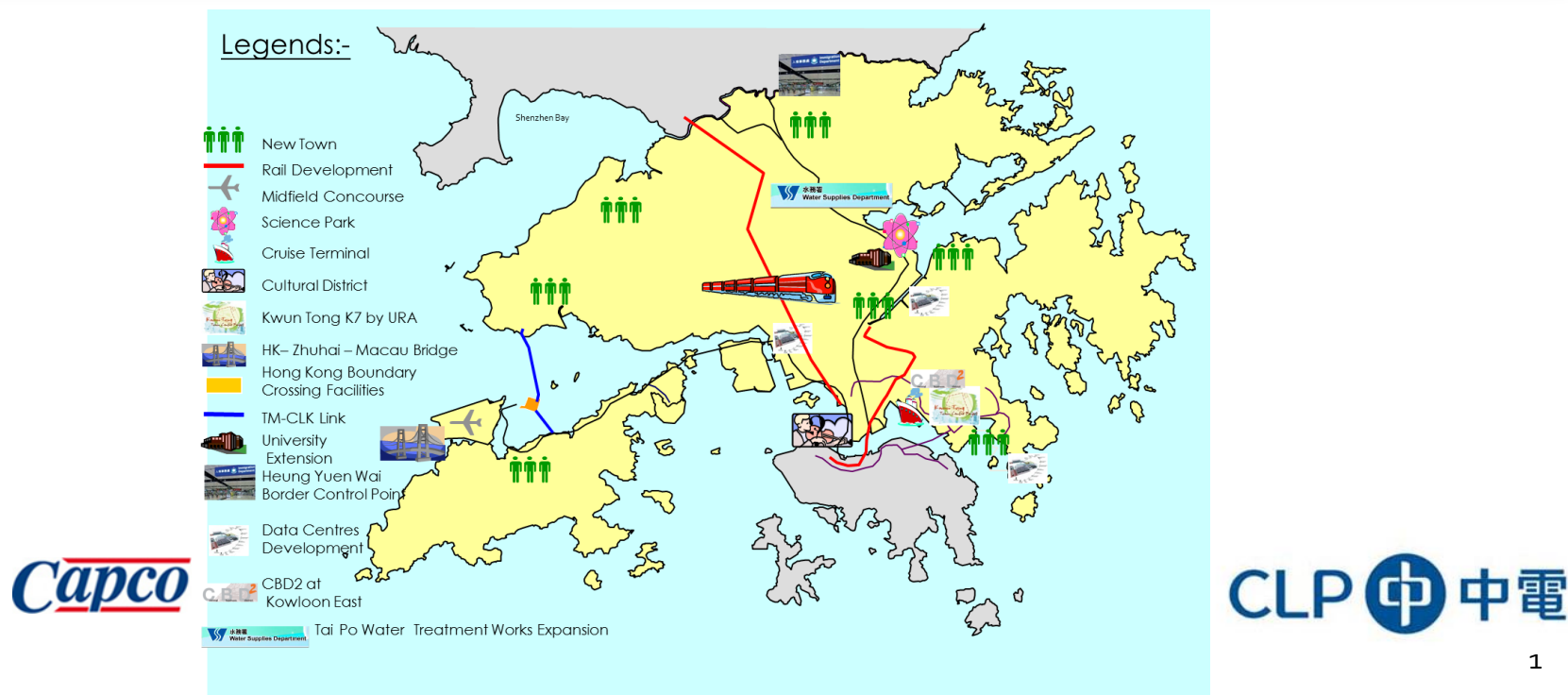
Supporting Local Infrastructure Development and Meeting Load Requirements

- New and Redevelopment Areas

e.g. Kai Tak Development Area, West Kowloon Cultural District, Kwun Tong, Tseung Kwan O

- Infrastructure

e.g. MTR Shatin-Central Link, Guangzhou-Shenzhen-Hong Kong Express Rail Link, cross border facilities



2014 Development Plan

Maintaining Safety and Supply Reliability

- **Ensure the supply reliability of our network which serves 80% of Hong Kong's citizens**
 - The power network covers more than 17,000 substations and over 24,000 kilometre of cables
 - Projects include power supply equipment refurbishments and replacements, like generators, turbines, boilers, transformers, switchgear, etc., and some equipment have been serving for more than 50 years

Improving Environmental Performance

- **Improve generation equipment efficiency and emissions performance, as well as implementing demand side management projects**

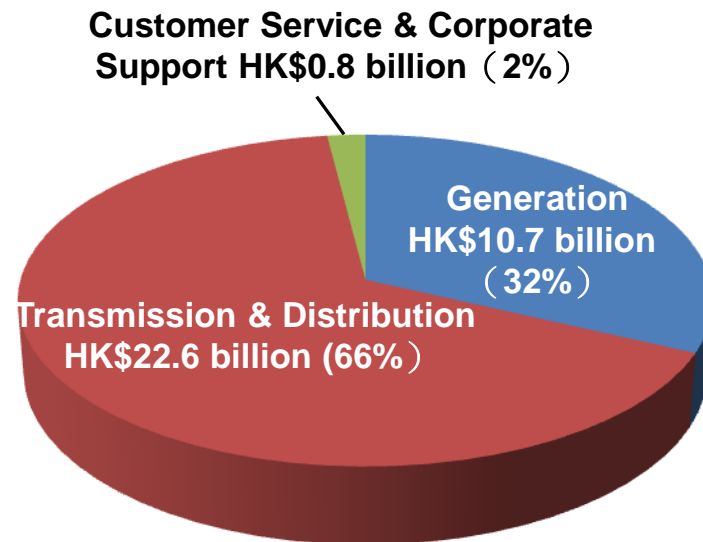
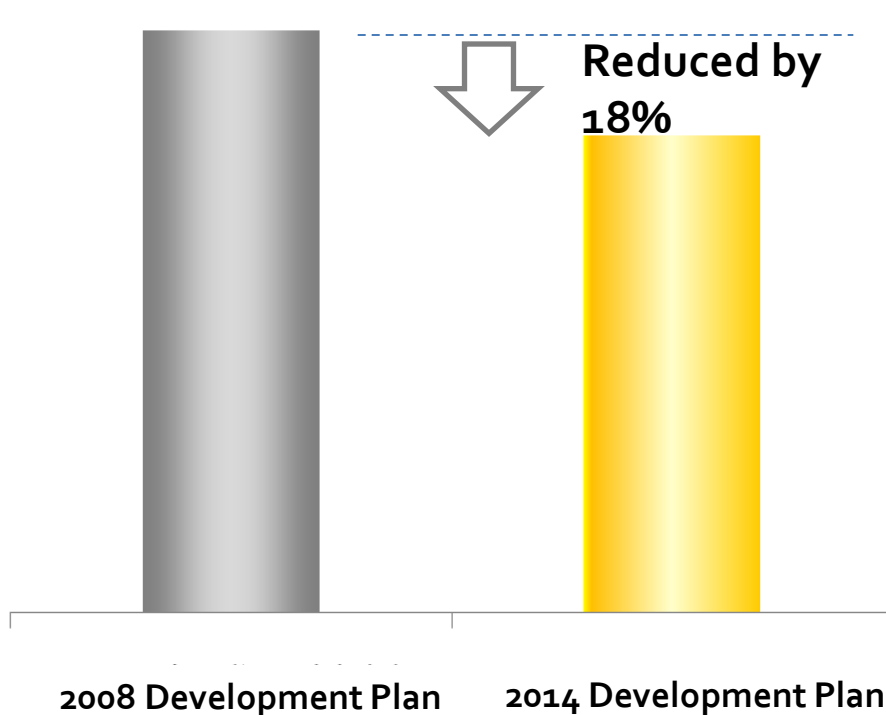


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2014 Development Plan



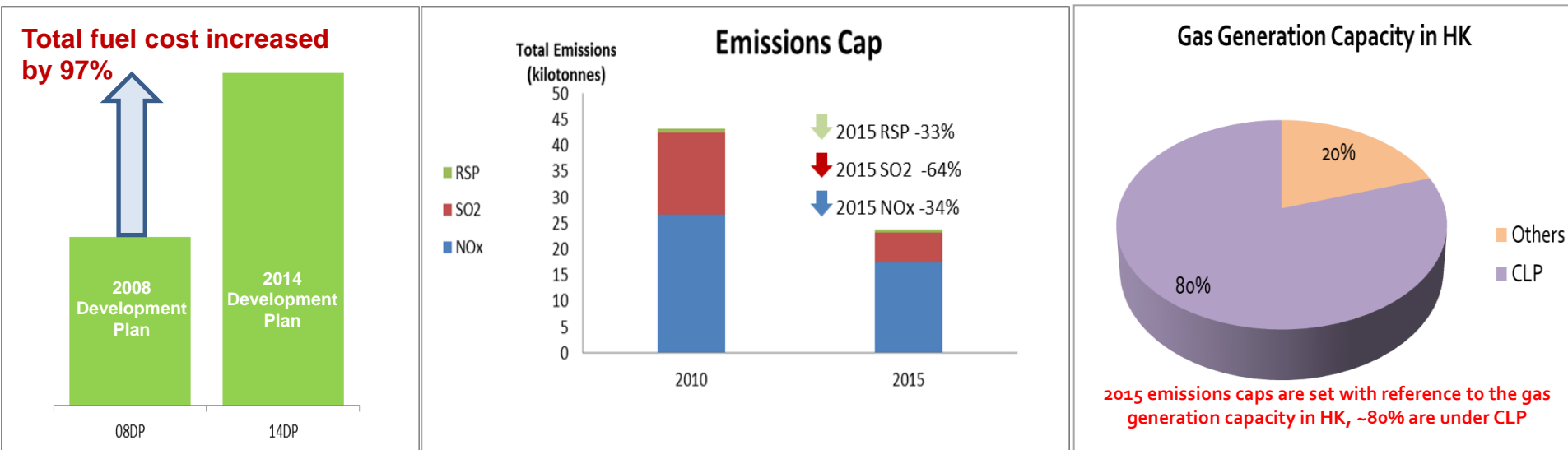
Total Capex HK\$34.1 billion, a reduction of 18% compared with the 2008 Development Plan

2014 Development Plan

Year	2014	2015	2016	2017	2018	Average Increase
Basic Tariff (HK¢/kWh)	88.4	87.2	88.4	90.0	92.1	
Increase	5.0%	-1.4%	1.4%	1.8%	2.3%	1.8% per year

The Basic Tariff for 2014 is at the same level as 10 years ago, and in the coming 5 years, the average increase per year is 1.8%

Much More Stringent Emissions Cap, Higher Fuel Costs



CLP shoulders about 90% *of the total increase in gas necessary to meet Hong Kong's emissions requirement in 2015

2014 Tariff

Tariff Component (cents / unit)	2013 Tariff	2014 Tariff
Average Basic Tariff	84.2	88.4
Fuel Clause Charges	22.4	22.4
Average Total Tariff	106.6*	110.8 (+3.9%)

**Rent and Rate special rebate of 2.1ct has ceased since mid Oct 2013*

Energy Efficiency Tariff Initiatives

- **Energy Saving Rebate for Low Consumption Domestic and Business Customers**

Domestic Tariff

Consumption per bill (unit)	Tariff Adjustment (\$ per month)	Approx. % (Number of Customers)
0 – 400	No change or a reduction not greater than \$2	33% (700,000)

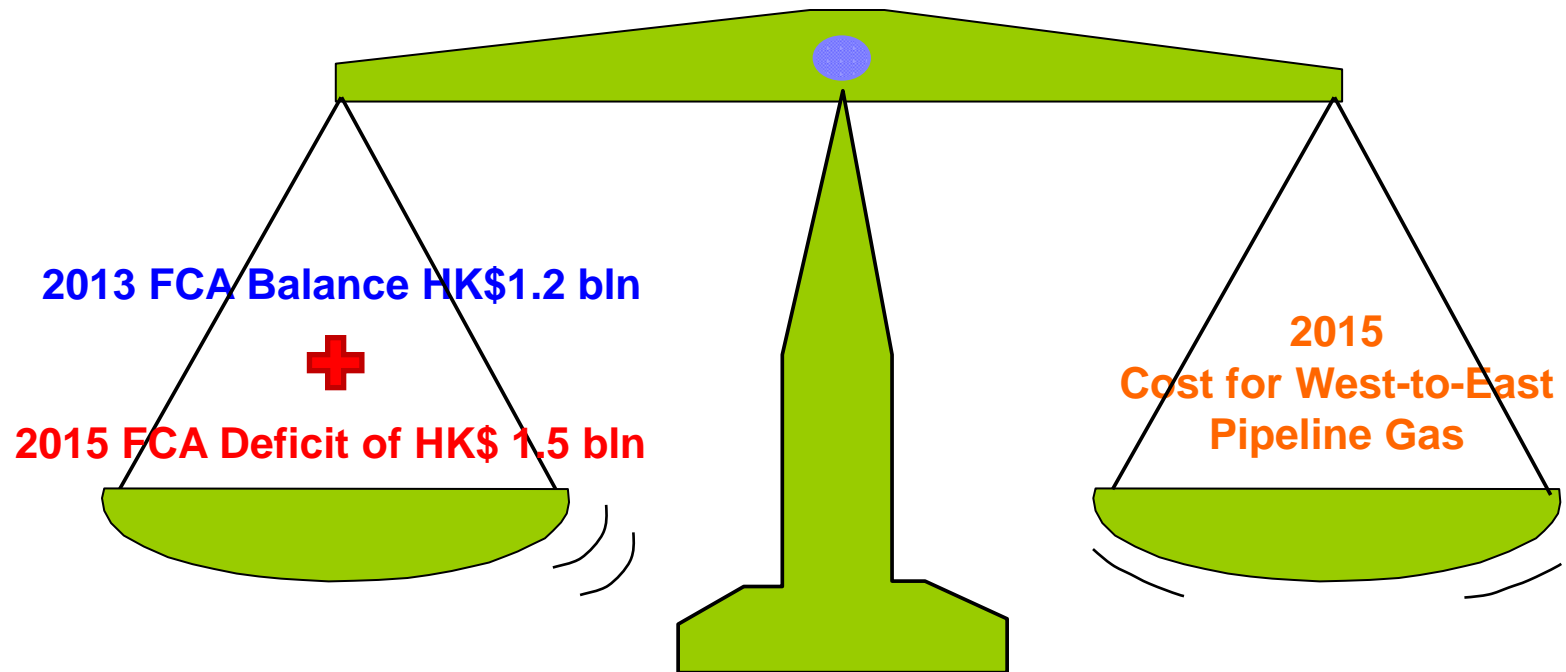
** CLP provides bi-monthly billing for domestic customers*

General Service Tariff

Consumption per bill (unit)	Tariff Adjustment (\$ per month)	Approx. % (Number of Customers)
0 – 400	No change	43% (133,000)

- **Introduction of 7th block (average consumption >2,100kWh/month) in the domestic tariff structure**

Fuel Clause Recovery Account (FCA) Balance



CLP Commits to Serving the Community

- Community Care Subsidy Scheme
- Set-of-four Energy Efficient Electrical Appliances Subsidy Programme
- LED light bulbs Replacement
- Energy Efficiency Fund
- Public education and energy efficiency and conservation



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