

# Implementation Details concerning Renewable Energy, Energy Efficiency & Conservation and Fuel Clause Charge Adjustment Mechanism under the Post-2018 Scheme of Control Agreements

## A. Introduction

- New Scheme of Control Agreements (SCAs) will take effect in October 2018 (CLP) and January 2019 (HKE)





## A. Introduction (cont'd)

Key foci of the Post-2018 SCAs:

- Development of renewable energy (RE)
- Energy efficiency and conservation (EE&C)

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## B. Promotion of EE&C

- Incentive schemes in relation to promotion of EE&C under the current SCAs will be expanded while new elements will be introduced
- While the programme details of the two power companies are not entirely the same, in general, the priority of funding allocation will be given to residential and small and medium enterprise (SME) business customers, non-Government organisations (NGOs) as well as disadvantaged groups (including tenants of subdivided units (SDUs))

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## **B. Promotion of EE&C (cont'd)**

- 1) Energy Audits
- 2) New Eco-Building Fund (NEBF) and New Smart Power Fund (NSPF)
  - Expanded scope, coverage and fund size
- 3) Education Funds
- 4) Energy Saving Loan Funds

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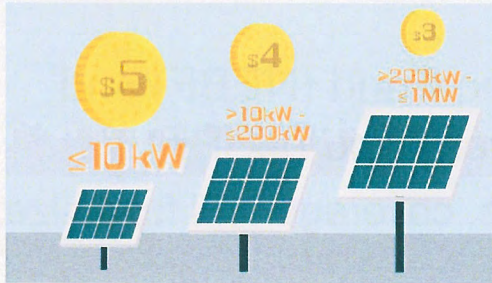
## **B. Promotion of EE&C (cont'd)**

- 5) Community Energy Saving Funds
  - Funding from ploughing back EE&C-related incentives earned
  - In 2019, power companies will introduce respective programmes to assist disadvantaged groups, such as replacing or purchasing energy efficient electrical appliances and subsidising rewiring work for installation of separate electricity meters for SDU tenants
  - CLP will also implement additional programmes in 2019

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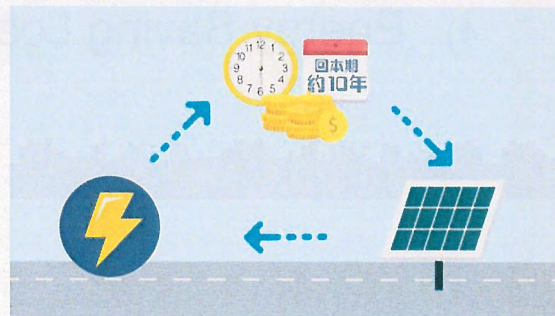
## C. Promotion of RE

### Feed-in Tariff (FiT)



- Having regard to the outcome of an independent consultancy study, the FiT rates are set at three levels

- Reduce the payback period to about 10 years



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## C. Promotion of RE (cont'd)

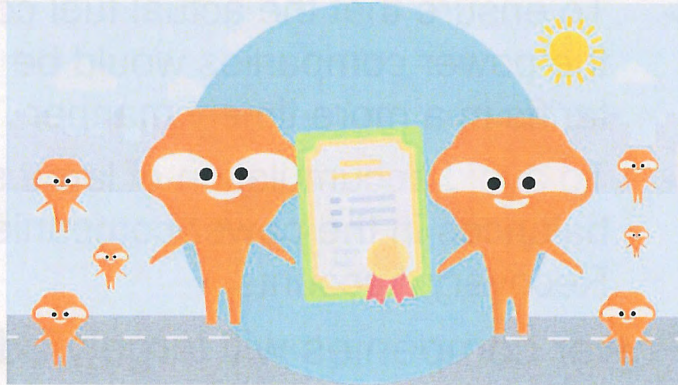
System Location	Installed Capacity and Estimated Generation	Applicable FIT Rate and Estimated Annual FIT Payment
 Stilt houses at Tai O	6kW (about 60 panels) (about 100 m <sup>2</sup> ) (at 3 stilt houses) 6,300kWh	HK\$5/kWh ~HK\$30,000
 Airport Police Station	16kW (about 100 panels) (about 200 m <sup>2</sup> ) 16,800kWh	HK\$4/kWh ~HK\$67,000
 EMSD Headquarters	350kW (about 2,300 panels) (about 3,000 m <sup>2</sup> ) 330,000kWh	HK\$3/kWh ~HK\$1,000,000

Note: Information on the RE system at stilt houses at Tai O is based on that publicised by WWF-Hong Kong. Government RE systems will not receive FIT.

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## C. Promotion of RE (cont'd)

### RE Certificates



- Community can show its support for RE through purchasing RE Certificates

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## C. Promotion of RE (cont'd)

- EMSD and power companies have set up websites and hotlines to provide relevant useful information and handle enquiries



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## D. More Frequent Fuel Clause Charge Adjustment

- Objectives:
  - To ensure that the actual fuel costs borne by the power companies would be reflected in tariffs in a more timely manner
  - To avoid accumulation of large surplus balances in the power companies' Fuel Clause Recovery Accounts
- Power companies will largely adjust the Fuel Cost Charge monthly based on the previous 3-month average actual prices/costs of the fuel consumed

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## E. Way Forward

- The two power companies will announce further information in respect of the various programmes

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