

# 2020 Tariff Review

Presentation to LegCo Panel  
on Economic Development

10 December 2019

# Together Through Difficult Times

Over  
**\$200m**

SMEs  
**\$150m**

People  
in Need  
**\$55m**

SDU  
Tenants  
**\$7m**

Transitional  
Housing  
**\$10m**  
over 3 years

*SMEs: Small and  
Medium Enterprises*  
*SDU: Sub-divided Unit*

# 2020 Tariff Review



Rent and Rates Special Rebate

-1.2 cents / kWh

Basic Tariff

Average Basic Tariff

+1.2 cents / kWh

± Offset

# 2020 Tariff Review

0%

Basic Tariff  
Offset

+3¢/kWh

Fuel Cost  
Adjustment



~50% of natural gas  
in fuel mix

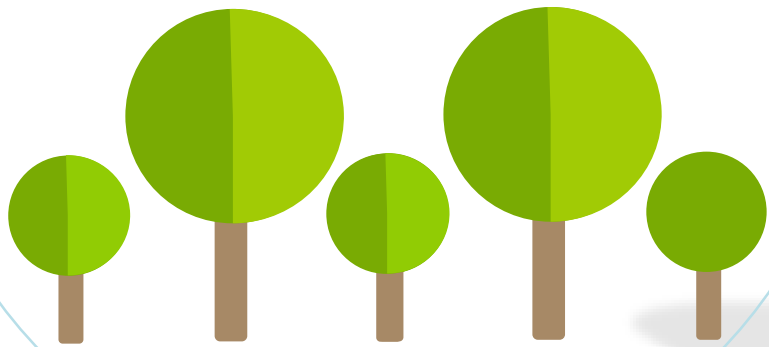
Average Net Tariff

+2.5%

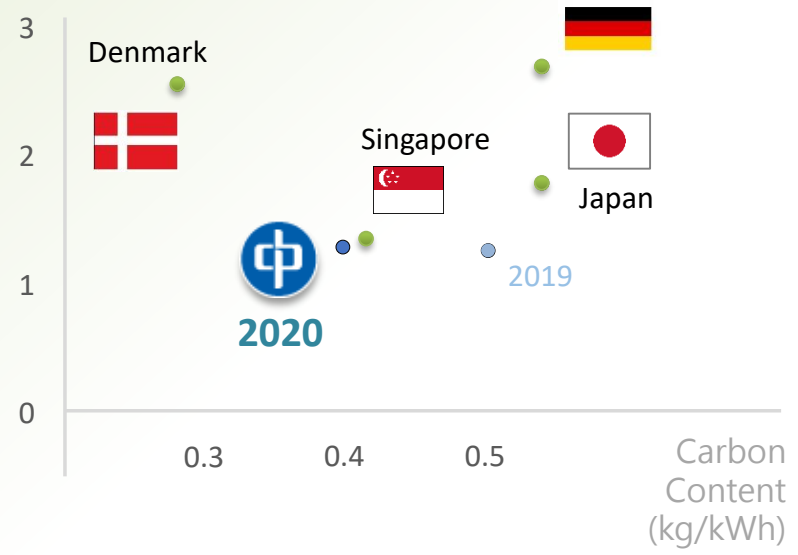
CLP offers a subsidy at HK¢ 3/unit to SME Customers (NRT tariff class) for the first 6 months in 2020 from Community Energy Saving Fund (CESF)

# Significant Carbon Reduction

equivalent to  
**Over 50 trees**  
per Customer  
are planted



Electricity Price (HK\$/kWh)



## 20% reduction in carbon content

Carbon intensity of electricity is reduced from 0.5 kg/unit to 0.4 kg/unit



# Together Through Difficult Times

6-month  
subsidy  
for SMEs  
**\$150 million**



Restaurant  
Coupons  
\$20 million  
to benefit  
>100,000  
households



Support  
for SDU Tenants  
**\$7 million**  
to benefit  
>10,000  
households



CLP  
Power Connect  
**\$25 million**



Support for  
VPET Students  
**\$10 million**



Support for  
Transitional  
Housing  
**\$10 million**  
over 3 years



VPET: Vocational and Professional Education and Training

# 2020 Tariff Review

Tariff Components HK¢/kWh	2019	Change	2020
Average Basic Tariff	91.0	+1.2	92.2
Rent and Rates Special Rebate	0.0	-1.2	-1.2
<b>Average Net Basic Tariff</b>	91.0	<b>Offset</b>	91.0
Fuel Cost Adjustment	27.8	+3.0	30.8
<b>Average Net Tariff</b>	118.8	+3.0	121.8

- Net Basic Tariff offset for 2020
- Depletion of Fuel Clause Account by more than \$1.7b to partially offset the fuel cost increase, leading to a 3¢/unit increase in Fuel Cost Adjustment
- Average Net Tariff increase of 2.5%
- The Feed-in Tariff (FiT) rates and Renewable Energy Certificate (REC) price will remain unchanged in 2020

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