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# Energy-saving measures by CLP Power, Hongkong Electric may be in the works (<http://www.scmp.com/news/hong-kong/article/1361473/energy-saving-measures-clp-power-hongkong-electric-may-be-works>) [1]

Submitted by [desirae.ho](#) on Nov 21st 2013, 6:42am

**News** › **Hong Kong ENERGY**

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CLP and HK Electric are likely to help promote more efficient energy use, possibly in buildings

The city's two power producers are not expected to face an overhaul of the rules they operate under as yet, though they are likely to introduce minor improvements to raise energy efficiency, environmentalists and sources close to the matter say.

The rules governing CLP Power and Hongkong Electric, including the profits they are allowed to make, are being reviewed by the Environment Bureau. The results of the review will be reported to the government's energy advisers this afternoon.

A source familiar with the talks said all three parties agreed the companies should provide more resources to improve energy efficiency, such as electricity audits. These measures are believed to be related to buildings and electrical appliances.

William Yu Yuen-ping, chief executive of the World Green Organisation, a local charity, hoped to see higher energy-saving targets and more energy audits. "We do not expect significant amendments to the control schemes, but we do see room to manoeuvre on energy savings," Yu said.

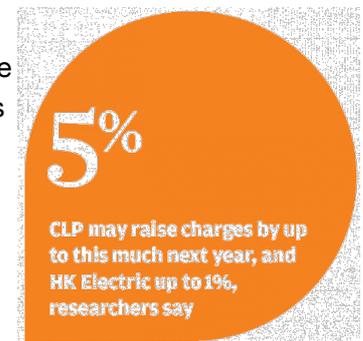
He was referring to regulatory agreements reached between the government and power suppliers that limited their returns to 9.99 per cent of their net fixed assets.

Under the new measures, both companies must set up a loan fund to help users adopt energy-saving initiatives. CLP must set aside HK\$25 million each year, while HK Electric must fund HK\$12.5 million annually.

If they can meet specified savings, the firms would be entitled to extra financial rewards.

Both are obliged to conduct interim reviews of their agreements, though any changes are subject to mutual consent. The latest review will be reported to the Energy Advisory Committee and will be discussed in Legco.

Observers say the review is highly unlikely to lead to any changes to profit levels allowed by the schemes.



But Yu wanted the firms to restart a demand-led plan, implemented in 2000, that offered rebates to consumers who bought energy-efficient appliances.

Yu's group estimated CLP and HK Electric would raise tariffs next year by up to 5 per cent and up to 1 per cent respectively.

The group said rising gas prices and more capital spending had offset moderate drops in international coal prices.

The projections were likely close to the upper end of tariff adjustments, since researchers had not factored in the full effect of falling coal prices and the companies' surpluses from fuel costs paid by users, said Dr William Chung Siu-wai of City University, who helped with the estimates.

Chung said CLP was under pressure to charge significantly more in 2015, after it switched fully to more expensive gas sources in central Asia that channelled fuel via mainland China.

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**Source URL (modified on Nov 21st 2013, 11:19am):** <http://www.scmp.com/news/hong-kong/article/1361473/energy-saving-measures-clp-power-hongkong-electric-may-be-works>

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# CITY



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Street performers to learn fate of Mong Kok precinct today

> SOCIETY C3



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Legislators heed calls for a children's commission

> RIGHTS C4



**No fear**  
It's action, not words now, says England cricket skipper as Ashes begin

> SPORT C12

## MEDIA



Commercial Radio's Stephen Chan (centre) interviews TVB's Nat Chan (in yellow) on his morning talk show yesterday. Photo: David Wong

# TVB 'SATISFIED' WITH RECORD LOW RATING

## ENERGY

# Power-saving measures may be in the works

CLP and HK Electric are likely to help promote more efficient energy use, possibly in buildings

**Cheung Chi-fai**  
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**5%**  
CLP may raise charges by up to this much next year, and HK Electric up to 1%, researchers say