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CLP urged to ditch discounts for big users (<http://www.scmp.com/article/984281/clp-urged-ditch-discounts-big-users>) [1]

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Cheung Chi-fai chifai.cheung@scmp.com

Enough electricity could be saved to power 200,000 homes a year if the city's largest power company abolished its discounted charges for a handful of heavy users, an energy policy researcher has found.

This could be achieved without compromising CLP Power's earnings, as the loss in electricity sales would be offset by the higher fees paid by the big users.

The projections by William Chung Siu-wai, director of the Energy and Environmental Policy Research Unit at City University, highlighted systemic flaws in the tariff mechanism that discourages energy saving. Greenpeace asked Chung to calculate the projections.

Greenpeace said that while ordinary users pay for the electricity they consume on a progressive basis, a few major consumers get a discount of at least 40 per cent if their usage exceeds a certain level. 'It is like commuting on public transport - the farther you travel, the more you have to pay. But it is the reverse in the electricity market,' Chung said in a press conference with Greenpeace.

The heavy users include restaurants, hotels and malls. Chung said they accounted for 1.4 per cent of non-domestic power users, but disproportionately consumed about half of the electricity, according to data released by CLP in 2004.

If these users were also charged on a progressive basis, Chung said this could save between 900 million and 1.2 billion kilowatt hours annually. This calculation assumes that the heavy users would be more willing to switch to energy-efficient measures to avoid paying a higher tariff.

Chung believed the change would have only a limited impact on small and medium-sized enterprises, but it might provide CLP with HK\$1.4 billion of extra revenue a year as the heavy users would be paying more.

Prentice Koo Wai-muk, a Greenpeace campaigner, said the government should demand that CLP abolish the tariff arrangement in its continuing negotiations on next year's tariff level. 'Instead of raising the tariff, they could revamp the structure and still make more money with less energy wasted,' he said.

Koo said Hongkong Electric's tariff structure was more in line with their proposal, which was why only CLP projections were calculated.

A CLP Power spokeswoman said the firm's tariff structure reflected the cost of providing the services.

'With regards to the community's opinion about changes in tariff structure, we are open to listening to our stakeholders' views,' she said.

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CLP's 2010 Hong Kong electricity sales, in kilowatt-hours

- At the end of the year, it had 2.35 million customers

Topics: Environment Environment CLP Group Electricity Distribution CLP Greenpeace Environment

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