



18 April 2023

FSRU Vessel Berths as Final Countdown to Launch of Hong Kong's First Offshore LNG Terminal Project

CLP Power Hong Kong Limited (CLP Power) and The Hongkong Electric Co., Ltd (HK Electric) announced today (18 April) that a Floating Storage and Regasification Unit (FSRU) vessel has successfully berthed at the new offshore liquefied natural gas (LNG) terminal in Hong Kong waters following the completion of checks and clearance procedures. Final preparations are being made for the terminal to go into operation in mid-2023 as an initiative by the two power companies to help increase low-carbon power generation and support Hong Kong's energy transition.

CLP Power Managing Director Mr T.K. Chiang said, "CLP Power has adopted a fuel diversity strategy since early 1990s for supply reliability, competitive cost and environmental benefits. To complement HKSAR Government's energy policy, we have substantially increased the proportion of natural gas in our fuel mix to around 50% since 2020. Natural gas is a transition fuel that supports Hong Kong's journey towards its 2050 carbon neutrality target by lowering the carbon intensity of power generation. Planning and construction of the offshore LNG terminal began a few years ago which underlines the importance of long-term planning to the energy industry. It also demonstrates our commitment to reduce the carbon intensity of our electricity supply and contribute to the sustainable development of Hong Kong. This facility, once commenced, will further enhance the diversity of our gas supply sources, giving us additional flexibility and supply security to utilise more natural gas for power generation."

HK Electric's Managing Director, Mr Wan Chi-tin said, "HK Electric strives to help Hong Kong achieve carbon neutrality before 2050 and has been switching from coal-fired to gas-fired generation as a transitional decarbonisation measure. The commissioning of the gas-fired unit L11 in 2022 at Lamma Power Station (LPS) enabled us to generate over half of our electricity from natural gas. Another gas-fired unit, L12, is expected to commence operation in early 2024, which will further increase the share of natural gas in our fuel mix. The offshore LNG terminal, once in operation, will enhance the security and cost

competitiveness of gas supply, enabling more reliable power generation by LPS. This will benefit our customers and contribute to the sustainable development of Hong Kong.”

The offshore LNG terminal in the south-western waters of Hong Kong is first of its kind in the city. It has been developed and constructed jointly by CLP Power and HK Electric and will be operated by the Hong Kong LNG Terminal Limited (HKLTL), a joint venture between the two companies. Construction started in late 2020 and the marine jetty and subsea gas pipelines of the terminal have already been completed. Commissioning of equipment is under way and the terminal is scheduled for operation in mid-2023.

The FSRU vessel, which will be named Bauhinia Spirit, is the world’s largest with an overall length of 345 metres and an LNG storage capacity of 263,000m³. HKLTL has signed a long-term time charter agreement with Mitsui O.S.K. Lines, Ltd. The vessel will be moored at the jetty of the LNG terminal and be used to receive, store, and regasify LNG before it is supplied to CLP Power’s Black Point Power Station and HK Electric’s Lamma Power Station through two separate subsea gas pipelines.

The offshore LNG terminal will provide a long-term alternative source to meet Hong Kong’s need for fuel supply, which is crucial for enhancing the security of the city’s natural gas supply. It will also give the two power companies direct access to international LNG markets, strengthen their ability to source competitively-priced gas, reduce fuel costs, and ultimately benefit customers and Hong Kong as a whole.

About CLP Power Hong Kong Limited

CLP Power Hong Kong Limited (CLP Power) is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer service to more than six million people in its supply area.

About HK Electric

HK Electric has been powering Hong Kong for more than 130 years, providing an affordable, safe, reliable and clean electricity supply to customers on Hong Kong and Lamma Islands. HK Electric has reached an impeccable electricity supply reliability of over 99.9999% for 3 years in a row since 2020, with an average unplanned Customer Minutes Lost of less than half a minute.

About Hong Kong LNG Terminal Limited

Hong Kong LNG Terminal Limited (HKLTL) is a joint venture of Castle Peak Power Company Limited (CAPCO) and The Hongkong Electric Co., Ltd. (HK Electric). HKLTL develops, owns and operates a liquefied natural gas (LNG) terminal in Hong Kong and provides LNG regasification and related services to CAPCO and HK Electric.

**CAPCO is a 70:30 joint venture of CLP Power and China Southern Power Grid International (HK) Co., Limited, a wholly owned subsidiary of China Southern Power Grid Company Limited.*

Photo caption:

Photo 1, Photo 2 and Photo 3





A Floating Storage and Regasification Unit (FSRU) vessel berths at the Hong Kong offshore LNG terminal to prepare for the final commissioning.

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