



# Tariff Review 2022

# 2022 Tariff

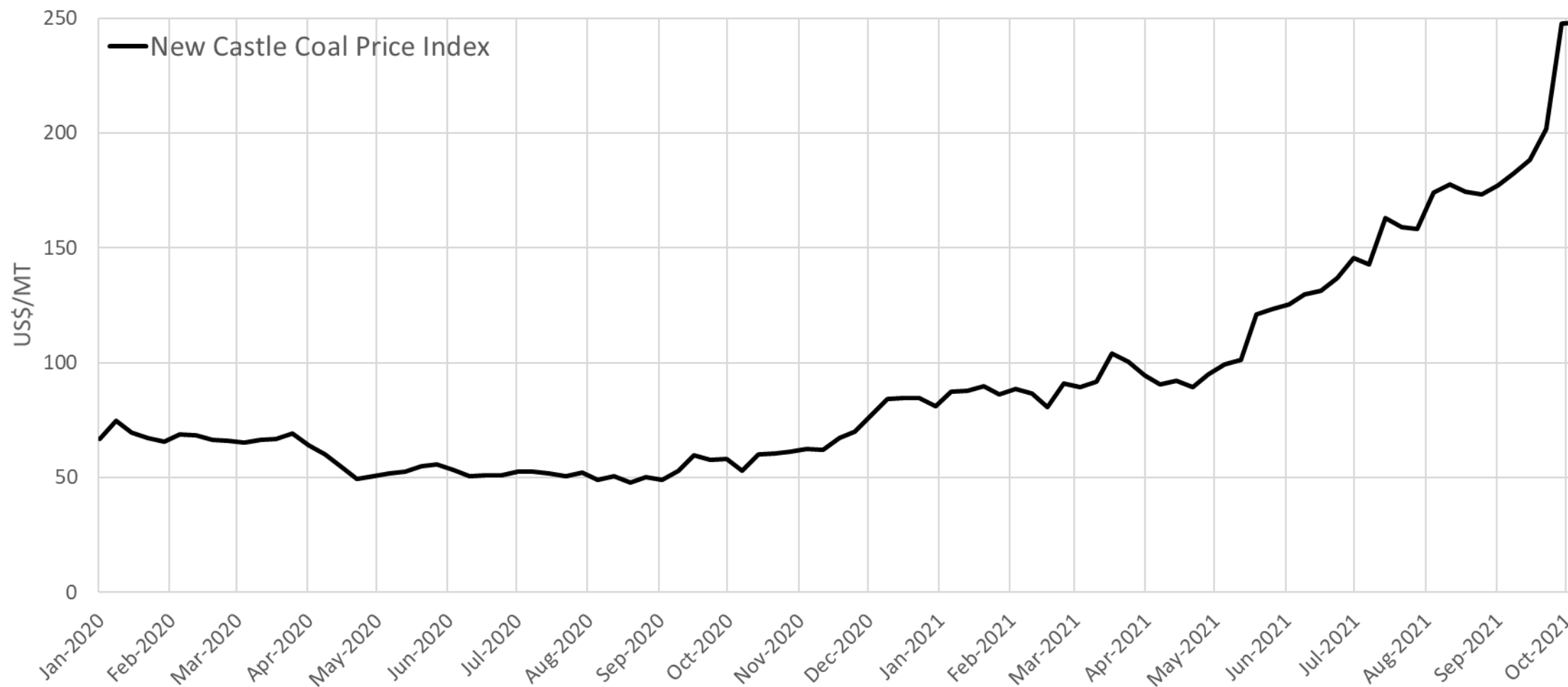
- HK Electric will freeze the Basic Tariff.
- Upsurge in global fuel prices, together with the increase in natural gas consumption, results in an upward adjustment of the Fuel Clause Charge.
- A Special Rebate of 1 cent per unit will be provided.
- The 2022 Net Tariff will increase by 8.9 cents per unit, wholly attributable to the increase in fuel cost.

Component	January 2021 (¢/unit)	January 2022 (¢/unit)	Adjustment (¢/unit)
Basic Tariff	109.0	109.0	Unchanged
Fuel Clause Charge	17.4	27.3	+9.9
Net Tariff before Special Rebate	126.4	136.3	+9.9
Special Rebate	-	-1.0	-1.0
<b>Net Tariff after Special Rebate</b>	<b>126.4</b>	<b>135.3</b>	<b>+8.9 (+7%)</b>

# Unprecedented Fuel Price Surge – Coal

- Coal price has increased over 170% in the past 6 months.

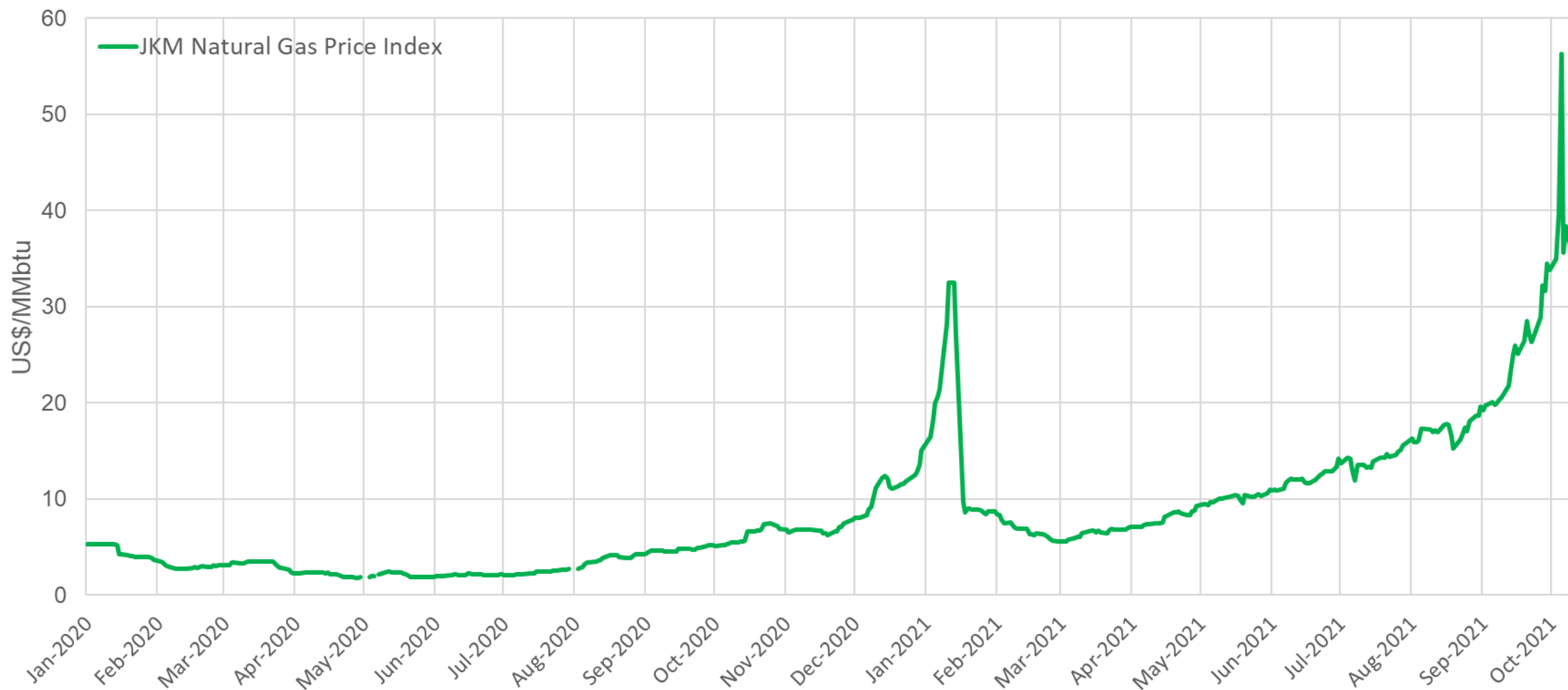
## New Castle Coal Price Index from Jan 2020 to mid-Oct 2021



# Unprecedented Fuel Price Surge – Natural Gas

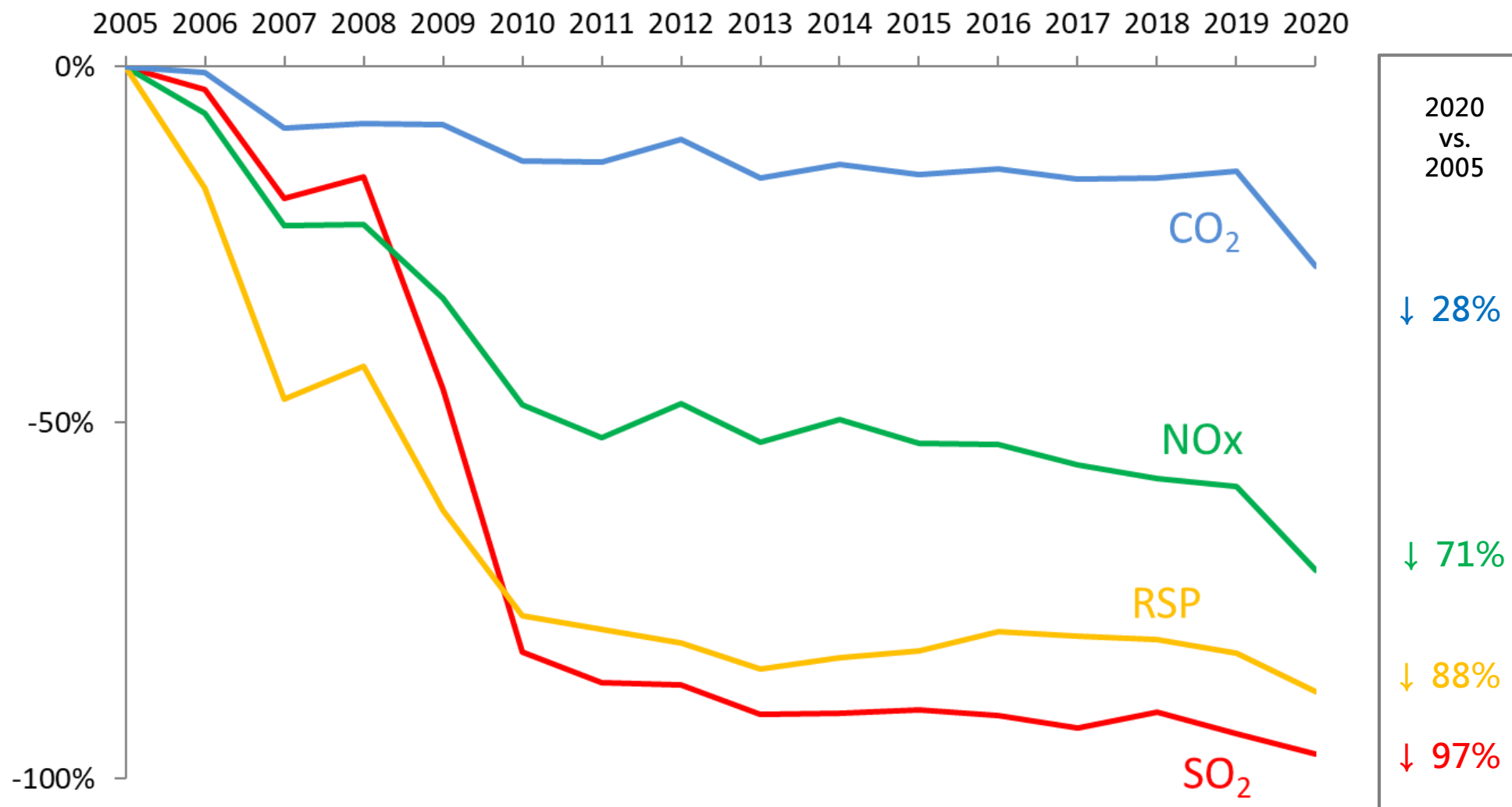
- Natural gas price has increased over 380% in the past 6 months.

## JKM Natural Gas Price Index from Jan 2020 to mid-Oct 2021



# Significant Reduction in Emissions

- The 4 types of emissions have reduced by 28% - 97%.



# Community Initiatives

- Through our three funds, a total of HK\$63 million will be allocated to implement the following measures in 2022 :

## Relief Measure

- Distribute dining coupons to low-consumption residential customers and the underprivileged
- Offer electricity subsidies to sub-divided unit households
- Sponsor NGOs to organise catering activities for the underprivileged

## Energy Saving

- Donate energy-efficient appliances to underprivileged families
- Subsidise non-residential customers to install energy-efficient equipment
- Enhance energy efficiency of buildings through offering subsidies

## Public Education

- Sponsor schools to carry out energy-saving and renewable energy projects
- Train student and elderly ambassadors to take part in our promotional events
- Promote green lifestyle via dramas, talks, visits and competitions

# Continuing Green Energy Transition

## Phasing Out Coal-fired Generation

- Installation of the new gas-fired unit L11 has been completed; testing is in progress with commissioning expected in Q1 2022. Two coal-fired units will cease operation in due course.
- Offshore LNG Terminal is scheduled for commissioning in mid-2022.

## Developing Local Renewable Energy

- Planning of a large-scale Offshore Wind Farm located in the waters southwest of Lamma Island is underway.
- Actively assist customers in installing solar PV generation systems.

## Supporting Smart City Development

- Over 100,000 smart meters have been installed to facilitate customers in managing their energy use. This project is expected to complete by 2025.
- Promote the wider application of electric vehicles and support electrification of the transportation sector.
- Assist the construction sector to reduce carbon emissions through the “Smart Power for Construction Site” service.

## Promoting the Low-carbon Transition

- Educate the public on energy efficiency and sustainable lifestyle through different programmes.

# Closing Remarks

- 2022 Basic Tariff will freeze at 2021 level.
- The Fuel Clause Charge will increase by 9.9 cents per unit of electricity, wholly attributable to the surge in global fuel prices.
- With the 1-cent-per unit Special Rebate, the 2022 Net Tariff will increase by 7% to 135.3 cents per unit.
- There is an urgent need to respond to climate change. HK Electric fully supports the Government and will remain in close dialogue with stakeholders to explore and implement different carbon reduction measures.





**Thank You**