

Glossary

Accelerator programme	A competitive programme that supports the development of startup companies by providing them access to mentorship, networking and sometimes financing opportunities.
Air emissions	The emission of air pollutants such as sulphur dioxide (SO ₂), nitrogen oxides (NO _x) and particulate matter (PM).
Capacity purchase	Power generation capacity contracted under long-term agreement.
Capital investments	Includes additions to fixed assets, right-of-use assets and intangible assets, investments in and advances to joint ventures and associates, and acquisition of business.
Carbon credit	A carbon credit is a tradeable instrument which represents either (a) a permit which gives the holder the right to emit one tonne of carbon dioxide or equivalent greenhouse gas (tCO _{2e}) into the atmosphere or (b) a certificate from a project that represents the removal or avoidance of one tCO _{2e} from the atmosphere. CLP Carbon Credits (https://www.clpcarboncredits.com) are generated from renewable sources (like wind or solar) and can be used to offset carbon emissions generated by governments, organisations or individuals.
Carbon neutral	When the GHG emissions associated with an activity or entity are balanced by carbon removal elsewhere, such as carbon credits, carbon sinks or storage. Also known as net zero carbon dioxide emissions.
Clean energy	Generally refers to power sources that add no extra carbon to the atmosphere. Non-carbon emitting energy, including renewable energy, is considered clean energy in CLP's context.
Climate Action Finance Framework (CAFF)	Launched by CLP Group in 2017 on how it proposes to finance projects with positive climate impact through two types of bonds. Energy Transition Bonds are used for financing of projects delivering significant greenhouse gas emissions reductions. New Energy Bonds are used to finance investments in renewable energy generation, improvements in energy efficiency and low carbon transport infrastructure.
Climate Vision 2050	CLP's Climate Vision 2050 sets out a series of 10-year targets from 2010 to 2050 compared to 2007 levels. These targets are based on the company's generation capacity on an equity plus long-term capacity and energy purchase basis. They consist of decarbonisation targets, measured in terms of the Group's carbon intensity, and clean energy targets, based on the renewable and non-carbon emitting energy share of CLP's generation portfolio.
Combined-cycle gas turbine (CCGT)	A technology used in gas-fired generation to enable significantly higher efficiency by utilising residual heat from gas turbine exhaust to run steam turbine and generating additional electricity.
Decarbonisation	Decarbonisation of the power sector primarily refers to the reduction in the greenhouse gas emissions from electricity generation. At CLP it is measured by the reduction in the carbon intensity, which is expressed in kilograms of carbon dioxide per kWh of electricity sent out.
Decentralised generation / distributed generation	Refers to electrical generation and storage performed by a variety of technologies of a smaller scale located close to the load they serve. In contrast, centralised generation is the large-scale generation of electricity serving multi-loads connected to the transmission network.
Demand response	Demand response programmes encourage participating customers to commit to short-term reductions in electricity demand, helping energy suppliers to keep the grid running optimally during high load periods.
Design thinking	Design Thinking is a human-centred, problem-solving methodology that focuses on the needs of users, enabling organisations to create better products, services and processes that solve users' pain points.
Digitalisation	The application of new information technologies including artificial intelligence and data analytics to help electricity utilities develop new customer-centric services and improve operations.
Dispatchable energy	Refers to power sources that can be used on demand and dispatched at the request of power grid operators according to market needs.

Distributed energy	Includes power generated from sources such as solar panels and wind turbines located close to the users, as well as controllable loads or storage such as electric vehicles and batteries.
Electricity sent-out	Gross electricity generated by a power plant less self-generated auxiliary power consumption, measured at connecting point between generating unit and transmission line.
Energy purchase	Electricity purchased from assets not owned by CLP to meet customer demand as per a long-term contractual agreement.
Energy transition	Transformation of the global energy sector from fossil-fuel based energy systems to low- or zero carbon sources.
Energy transition enablers	Non-generation products or services that facilitate the energy transition, including energy storage, transmission and distribution, electric vehicle charging points and smart meters, amongst others.
Equity basis	An approach set out by the GHG Protocol Corporate Standard for an organisation to consolidate GHG emissions for the purpose of accounting and reporting GHG emissions. On this basis, the organisation accounts for GHG emissions from operations according to its equity share in the operations.
Feed-in Tariff (FiT)	Payable by Hong Kong power companies under the SoC Agreement to purchase electricity from approved renewable energy projects. Find out more at http://www.clp.com.hk/en/community-and-environment/renewable-schemes/feed-in-tariff .
Flue gas desulphurisation (FGD) facility	Equipment used to remove sulphur oxides from the combustion gases of a boiler plant before discharge to the atmosphere.
Generation capacity	The maximum amount of power that a generator is rated to produce. Also known as installed capacity or nameplate capacity.
Greenhouse gas (GHG)	<p>The emission of gases that contribute to the greenhouse effect causing a changing climate. CLP's GHG emissions inventory covers the six GHGs specified in the Kyoto Protocol. Nitrogen trifluoride (NF₃), the seventh mandatory gas added under the second Kyoto Protocol, was deemed immaterial to CLP's operations after an evaluation.</p> <p>The GHG Protocol Corporate Standard classifies an organisation's GHG emissions into three 'Scopes'. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 are indirect emissions (not included in Scope 2) that occur in the value chain of the organisation.</p>
Intergovernmental Panel on Climate Change (IPCC)	The United Nations body for assessing science related to climate change. IPCC assessments provide a scientific basis for governments at all levels to develop climate related policies, and they underpin negotiations at the UN Climate Conference – the United Nations Framework Convention on Climate Change (UNFCCC). Find out more on https://www.ipcc.ch .
International Energy Agency (IEA)	An autonomous organisation which works to ensure reliable, affordable and clean energy for its 30 member countries and beyond. Find out more on https://www.iea.org .
Megatrends	<p>Large, transformative global forces that define the future by having a far-reaching impact on business, economies, industries, societies and individuals. A megatrend is distinguished from other trends in that it cannot be stopped or significantly altered, even by powerful actors such as governments.</p> <p>Megatrend analysis is an important tool for companies aiming to drive sustainable growth as competition increases and new disruptive ideas and concepts affect entire industries.</p>
Microgrids	Localised networks with generation, energy storage and load entities, that can operate in tandem with an existing grid or independently. They can potentially be deployed to meet the energy needs of remote areas cost-effectively, forgoing the expenses of transmission grids.
Non-carbon energy / non-carbon emitting energy	Energy from power sources that add no extra carbon to the atmosphere, such as nuclear and renewable energy.
Offshore LNG terminal	Offshore LNG terminals receive cargos of liquified LNG for processing into fuel. The Floating Storage and Regasification Unit (FSRU) is where the LNG cargo is unloaded, stored and regasified for transport to a power station or other users.

Operational control basis	An approach set out by the GHG Protocol Corporate Standard for an organisation to consolidate GHG emissions for the purpose of accounting and reporting GHG emissions. On this basis, the organisation accounts for 100 percent of the GHG emissions from operations over which it has operational control, but does not account for GHG emissions from operations in which it owns an interest but has no control.
Particulate matter (PM)	Microscopic solids or liquid droplets in the air.
Phase out coal-fired generation capacity	In CLP's context, phasing out coal-fired generation capacity refers to (a) the retirement and closure of a coal-fired power asset; (b) the move away from a build-operate-transfer coal-fired project before the end of the contract term or according to the terms of the project; or (c) the divestment from a coal-fired asset.
Power Purchase Agreement (PPA)	A long-term electricity supply agreement specifying deliverables such as the capacity allocation, the quantity of electricity to be supplied and financial terms.
Pumped storage	Method used for large-scale storage of power. During non-peak times, electricity is used to pump water to a reservoir. During peak times, the reservoir releases water for hydroelectric generation.
Renewable energy	Energy that is generated from renewable resources, which are naturally replenished on a human timescale, including sunlight, geothermal heat, wind, tides, water, and various forms of biomass.
Renewable Energy Certificates (RECs)	RECs represent all the environmental attributes associated with electricity produced by local renewable sources in Hong Kong including solar, wind and waste-to-energy power projects, purchased or generated by CLP.
Scheme of Control Agreement (SCA)	The SCA with the Hong Kong Government provides a regulatory framework for the city's electricity industry, enabling CLP Power Hong Kong to operate the facilities and plan new investments to meet the electricity demand of customers, as well as environmental objectives.
Science-based target	A target for greenhouse gas reductions that is in line with the goals of the Paris Agreement to limit global temperature increase to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.
Science Based Targets initiative (SBTi)	A collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact (UN Global Compact) and is one of the We Mean Business Coalition commitments. The initiative defines and promotes best practice in science-based target setting, offers resources and guidance to reduce barriers to adoption, and independently assesses and approves companies' targets. Find out more on https://sciencebasedtargets.org .
Sectoral Decarbonisation Approach (SDA)	The SDA of the Science Based Targets initiative allocates a 2°C carbon budget to different sectors. This method takes into account inherent differences among sectors, such as mitigation potential and how fast each sector can grow relative to economic and population growth. Within each sector, companies can derive their science-based emission reduction targets based on their relative contribution to the total sector activity and their carbon intensity relative to the sector's intensity in the base year.
Sustainable Development Goals (SDGs)	The 17 SDGs, adopted by all United Nations Member States in 2015, are the blueprint to achieve a better and more sustainable future for all. Find out more on https://sustainabledevelopment.un.org .
Task Force on Climate related Financial Disclosures (TCFD)	The TCFD seeks to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and provide decision-useful information to lenders, insurers, and investors. The TCFD's members were chosen by the Financial Stability Board to include both corporates and users of disclosures from across the G20's constituency covering a broad range of economic sectors and financial markets. Find out more on https://www.fsb-tcfd.org .
World Business Council for Sustainable Development (WBCSD)	The World Business Council for Sustainable Development is a CEO-led organisation of over 200 leading businesses and partners working together to accelerate the transition to a sustainable world. Find out more on https://www.wbcsd.org .