

Summary of Press Conference Comments Made by Satoru Katsuno, FEPC Chairman,

on March 15, 2019

I am Satoru Katsuno, Chairman of the Federation of Electric Power Companies.

Today, I would like to talk about “commemorating the 8th year since the Great East Japan Earthquake”, “initiatives directed towards independent nuclear safety improvement”, and “status of discussions on electricity resilience”.

<Commemorating the 8th year since the Great East Japan Earthquake>

First, I would like to talk about commemorating the 8th year since the Great East Japan Earthquake.

March 11th marked the 8th year since the Great East Japan Earthquake.

We, as a member of the electric utility industry, apologize for all the inconvenience, anxiety and burden the Fukushima Daiichi Nuclear Power Station Accident is still causing eight years on.

I think it is important to expand efforts to facilitate the return of those who were forced to evacuate and to accelerate the reconstruction and revitalization of the area, building back up businesses and livelihoods based on the Act on Special Measures for the Reconstruction and Revitalization of Fukushima.

Under an unwavering commitment to never let an accident like this occur again, we as nuclear operators have been continuing to implement independent initiatives for the further improvement of safety.

Later on, I will be explaining the discussions that were held today amongst top management of nuclear related organizations on their roles and new initiatives in improving safety.

The Great East Japan Earthquake also generated changes in the industry environment and policies.

In July of last year, the Fifth Strategic Energy Plan was approved by the Cabinet. While it pledged to reduce dependence on nuclear power as much as possible, it also established nuclear power as an important baseload energy source as ever that will account for 20 to 22% in the FY2030 energy mix.

The Plan also outlines a future in which renewable energy is a major power source that is economically independent and stably rooted in society. The government council is discussing the further introduction of renewable energy including converting the current network into a next generational network and the future of wheeling.

We are about to mark the third anniversary of the full liberalization of electricity retail sales. Electricity system reform continues to progress steadily with the aim of securing stable supply, keeping electricity rates down to a possible extent and expanding operator business opportunities and options for consumers.

This is the final year to prepare for the smooth legal unbundling of the transmission and distribution division in April 2020. As part of these preparations, we would like to also work on increasing the resilience of electricity infrastructure, especially in light of the long term and wide reaching outages that occurred due to last years' natural disasters.

<Initiatives directed towards independent nuclear safety improvement>

The second point I would like to address is initiatives directed towards independent nuclear safety improvement.

As I mentioned earlier, we nuclear operators have been appropriately addressing the new regulatory requirements and thoroughly undertaking safety measures with a strong commitment to preventing events similar to the Fukushima Daiichi Nuclear Power Station accident.

Specifically, we have been working to further improve safety at nuclear power

stations together with the Japan Nuclear Safety Institute (JANSI), the Central Research Institute of Electric Power Industry's Nuclear Risk Research Center (NRRC) and the Atomic Energy Association (ATENA), which was established in July of last year, to further reinforce efforts toward increased safety.

Today, 15 top executives from nuclear operators and external bodies including JANSI, NRRC and ATENA came together to discuss and confirm their individual roles and future efforts.

This initiative was started three years ago and today's meeting marks the fourth of its kind. Please see the [reference](#) for details.

As you can see in the reference, we confirmed our intention to actively promote

- Continuously improving operator performance through JANSI peer reviews and other evaluations
- Enhancing risk evaluation methods jointly with the NRRC and making decisions with comprehensive judgments that are based on risk analyses/evaluations
- Introducing to the field effective safety measures that are proposed by ATENA, a body consisting of nuclear safety experts

The new inspection system launching in 2020 will incorporate the performance-based concept where plant safety is evaluated on a track-record basis, building on the risk-informed approach, which harnesses risk information to clarify potential impact on safety.

The system will in turn further advance operators' voluntary safety improvement activities and build a framework that effectively raises safety levels.

Based on the global standards, the nuclear industry will keep advancing safety improvement efforts in an autonomous and sustained manner so that we can incorporate best practices in the world.

Furthermore, we will strive to restore public trust by having individual operators

engage in risk communication relating to nuclear power generation and the whole industry engage in broader communication with siting regions and the society at large.

<Status of discussions on electricity resilience>

My third and final point is on the status of discussions on electricity resilience.

We electricity operators, faced with the lessons learned and the challenges identified in the series of disasters last year, are working to increase electricity resilience so as to further enhance stable electricity supply.

The Subcommittee on Electricity Resilience established as part of the Organization for Cross-regional Coordination of Transmission Operation (OCCTO) is receiving multiple model cases for additional reinforcement of the Hokkaido-Honshu HVDC Link and discussing measuring the effects of the reinforcement.

The Subcommittee on Electricity Resilience towards a Decarbonized Society established in the Ministry of Economy, Trade and Industry (METI) also has started discussing challenges such as enhancing the transmission and distribution network and preparing it for the next generation, improving the reliability of electricity interconnections and increasing resilience.

There will also be discussions on investments into a next generational transmission and transformation network and the development of the wheeling system, in an effort to achieve the two important challenges of realizing a decarbonized society and building a sustainable stable supply system. It is our understanding that fairness in allocating cost among the users of the interconnection and the certainty of return on investment will be considered in these discussions.

We, as general electricity transmission and distribution operators, would like to actively cooperate in these discussions in order to create an electricity platform that allows the public to use electricity with a peace of mind.

<Finally>

Finally, on March 8, Japan Nuclear Fuel Limited (JNFL) submitted an amendment regarding the Rokkasho Reprocessing Plant and MOX Fuel Fabrication Plant to the Nuclear Regulation Authority.

This amendment reflects the content presented by JNFL at prior meetings—the review seems to be in its final stages.

We hope JNFL will continue to do their utmost in the review for the completion of the Rokkasho Reprocessing Plant.

This will conclude my segment today.

END

Initiatives directed towards independent nuclear safety improvement

March 15, 2019

The Federation of Electric Power Companies of Japan

With a strong commitment to preventing events similar to the Fukushima Daiichi Nuclear Power Station accident, we nuclear operators have been appropriately addressing the new regulatory requirements and thoroughly undertaking safety measures.

Several nuclear power stations have restarted now, but regardless, continuous efforts that transcend regulatory boundaries are ongoing in hopes of ensuring higher levels of safety. Notably, last July saw the establishment of the Atomic Energy Association (ATENA). This has resulted in effectively using the knowledge and resource of the entire nuclear industry and further reinforcing efforts toward increased safety.

Sharing an awareness that commitment of top-level officials is the key to greater safety in nuclear power generation, leaders gathered from nuclear operators as well as the Japan Nuclear Safety Institute (JANSI), the Central Research Institute of Electric Power Industry's Nuclear Risk Research Center (NRRC), and ATENA, all of which are external bodies, to discuss what role they should fulfill and their new efforts.

In specific terms, the four parties are to work together for efforts including:

- Continuously improving operator performance through peer pressure generated by sharing results of JANSI peer reviews and comprehensive station evaluations
- Enhancing risk evaluation methods jointly with the NRRC and making decisions with comprehensive judgments that are based on risk analyses/evaluations
- Introducing to the field effective safety measures that are proposed by ATENA, a body consisting of nuclear safety experts

The new inspection system launching in 2020 will incorporate the performance-based concept where plant safety is evaluated on a track-record basis, building on the risk-informed approach, which harnesses risk information to clarify potential impact on safety. The system will in turn further advance operators' voluntary safety improvement activities and build a framework that effectively raises safety levels.

Higher safety levels will be achieved under the new inspection system through efforts of both operators and regulators. Operators will have their safety activities better understood by readily disclosing information and harnessing risks as a common tool for communication, and at the same time work with ATENA to interact with regulators and thereby voluntarily and continuously improve the safety of nuclear power stations.

Based on the global standards, the nuclear industry will keep advancing safety improvement efforts in an autonomous and sustained manner so that we can incorporate best practices in the world. Furthermore, we will strive to restore public trust by having individual operators engage in risk communication relating to nuclear power generation and the whole industry engage in broader communication with the society.