Summary of Comments Made at a Press Conference
by Tsunehisa Katsumata, FEPC Chairman, on October 19, 2007

There are two topics I would like to report on today. The first is the WANO (World Association of Nuclear Operators) General Meeting, and the second is the start of operation tests for Integrated Coal Gasification Combined Cycle (IGCC) power generation.

I'll report first about the WANO General Meeting that was held late last month (9/24–25) in Chicago.

WANO is an international association established in 1989 in the wake of the Chernobyl nuclear power plant accident. Its members include nuclear power operators from 36 countries and regions around the world, who exchange information about operational matters and accidents, and cooperate with international organizations in an effort to improve power plant safety and reliability.
A WANO General Meeting is held once every two years, serves as a forum for wide-ranging discussions on policies and issues. This was WANO's ninth General Meeting, and with a reassessment of nuclear power underway worldwide, there were a record number of approximately 400 attendees, including approximately 80 from the nine Japanese electric power companies, the Japan Atomic Power Company, the Electric Power Development Co., Ltd., and other Japanese nuclear industry organizations.

Against the background of what has been called a "Nuclear Renaissance," U.S. Secretary of Energy Samuel Bodman said, "When we consider anticipated growth in energy demand, and issues such as energy security and environmental impact, only nuclear power can meet our needs for base load power source." I also heard many other attendees express support for a reevaluation of the "nuclear power advantage."
WANO Chairman William Cavanaugh also said, "New countries are preparing to enter the nuclear field without first laying the necessary industrial and educational substrate. WANO members are required not only to take on their individual responsibility to guarantee the safety of their own plants, but also to assume a collective responsibility to work together to continually upgrade the safety of operating nuclear power stations worldwide." With nuclear power

generation an increasingly global issue, many other attendees also voiced concerns about safety, and stressed the importance of international nuclear power industry cooperation.

In addition, I was given a special opportunity to report on damages at the Kashiwazaki-Kariwa Nuclear Power Plant.
I reported that the basic mechanisms to ensure reactor safety had functioned properly, but that delays in reporting and extinguishing a transformer fire needed to be reflected on. I pledged that we would strengthen earthquake resistance and emergency response capabilities, and share the results of reports and evaluations with other nuclear power operators around the world.

Interest in my report was high; participants wanted to know why our response to the media had been slow, and how nuclear reactor operators other than Tokyo Electric Power Company were responding. In addition, I received many words of encouragement regarding the plant's return to operation.

I would now like to report on the IGCC operation tests being conducted by Clean Coal Power R&D Co., Ltd., an entity established by the nine electric power companies (except Okinawa) and the Electric Power Development Co., Ltd.

Testing began on the 20th of last month when the gasification furnace at Clean Coal Power R&D's IGCC demonstration plant, under construction since 2004, was ignited.

From a supply-side standpoint, nuclear power is the key to CO_2 reduction, but we also see great promise in the development and commercialization of IGCC. IGCC makes it possible to use coal, which is a globally abundant resource with stable availability, with higher generating efficiency than conventional coal-fired plants, and CO_2 emission levels on a par with oil-fired plants.

IGCC plants produce combustible gas through the reaction of coal and air at high temperature, and use that gas for combined cycle power generation. Compared to conventional coal-fired plants, IGCC plants offer significantly higher generating efficiency.
When IGCC becomes commercially viable, we believe it will reduce CO_2 emissions by about 20%.

The current round of operation tests assesses plant operating characteristics, long-term reliability, and economic feasibility, and will continue until late in the 2009 fiscal year.
Based on the results of all tests, we hope to establish a commercially operational IGCC plant by about 2015.

Now, having discussed supply-side measures to reduce CO_2 emissions, I would like to add that Eco-Cute systems remain the linchpin of our efforts to reduce CO_2 on the demand side.

As of the end of last month (9/25) domestic shipments of Eco-Cute systems topped one million units, which represents an annual reduction in CO_2 emissions of approximately 600,000 tons, and has the same effect as protecting approximately 1,700 km2 of forest land — an area three times the size of metropolitan Tokyo.

The nation’s plan to meet Kyoto Protocol targets calls for an installed base of approximately 5.2 million Eco-Cute units by the 2010 fiscal year.
To help us achieve the plan’s goals, we have developed a new unified logo character (Toppa-kun, the leaf), and will be conducting an industry-wide promotional campaign.
In addition, all concerned parties will endeavor to expand Eco-Cute use through measures such as government subsidies for initial installation, and the reduction of manufacturing, distribution, and construction costs.