Summary of Comments Made by Tsunehisa Katsumata, FEPC Chairman, at a Press Conference on April 18, 2008

Today, I would like to comment on two topics. The first is the joint meeting of APP task forces; the second is the interim reports on the seismic back-check project.

1. Joint Meeting of APP Task Forces

From March 31 to April 2, two of the eight task forces of the Asia-Pacific Partnership on Clean Development and Climate (APP), namely, the Power Generation and Transmission Task Force and the Cleaner Fossil Energy Task Force, held a joint meeting in Melbourne, Australia.

As I commented earlier on several occasions, APP activities are established through the participation of both the government and private sectors of seven countries in the Asia-Pacific region as partnerships for addressing issues such as growing energy demand, energy security and climate change.

The Power Generation and Transmission Task Force places particular importance on peer review activities proposed by Japan. These activities consist in cross-national programs for engineers in various countries to exchange visits to one another's coal-fired power plants with the aim of sustaining or improving the thermal efficiency at those plants by suggesting improvements in plant operation and maintenance.

The task forces conducted a peer review project in India in February in which we made such suggestions to the Indian stakeholders having difficulties coping with power shortages, indicating specific examples of the large extent to which the improvement of thermal efficiency at their power plants would contribute to the mitigation of environmental impacts and the saving of fuel.

Our activities were highly appreciated by the Indian stakeholders, who made the following comment: "The efforts to improve the thermal efficiency of our existing power plants—and thus enabling lower electricity prices—are highly significant for us. Considering the additional benefit of reducing CO_2 emissions, we wish to spread such efforts all over India."

This recent meeting of the task forces, convened in recognition of these achievements, was attended by about one hundred representatives from the governments and electric power sectors of all APP countries except China (the United States, India, Australia, Canada, South Korea and Japan), where various achievements were reported and new projects were proposed.

In these discussions, we proposed that each country should use a common model to quantify the CO_2 abatement that would be possible through efficiency improvements and similar efforts. Such quantification would enable us to present in visible terms how effectively our peer review activities, which are the core of the sectoral approach by the power sector, may reduce CO_2 emissions.

Our proposal was highly appreciated by the United States and Australia, and the participating countries agreed to start developing concrete programs following the establishment of a contact group for negotiations on details.

As for peer review activities in the future, the third project will take place in the United States at the end of this month (April 28 to May 2) followed by the fourth project planned in Australia in late June.

The Third Peer Review Project will address two coal-fired power plants in Wisconsin, United States. In this project, while pursuing the sharing of past best practices, we will use a checklist prepared by us to estimate in a quantitative manner the reduction in CO_2 emissions achievable by improving the thermal efficiency.

2. Interim Reports on the Seismic Back-Check Project

Next, I will comment on the interim reports issued by respective electric power companies in Japan at the end of last month on the Seismic Back-Check Project.

Electric power companies in Japan have always designed their nuclear power plants with sufficient safety margins for seismic engineering, and reviewed the seismic safety of their plants from time to time in reference to the latest findings.

In these interim reports, each electric company reported how the company reestablished the design basis ground motion for each plant in reference to the Seismic Design Review Guidelines revised in September 2006, and how the company evaluated the seismic safety of major installations with critical safety functions at some representative plants.

Applying the new guidelines that incorporate the latest findings from seismology, the maximum acceleration as a characteristic of the design basis ground motion was greatly increased. Moreover, based on information such as findings from the Niigata Chuetsu Offshore Earthquake, the period of historical active fault movements to be reckoned was extended from the last 50 thousand years to the last 120-130 thousand years. Other new factors include investigations focusing on topographical details such as the bending of ridges and rivers, and the consideration of at least the presence of active faults that remained uncharacterized even after elaborate studies. Thus, the evaluations incorporated broader factors with a more proactive, safety-oriented approach.

The electric power companies in Japan confirmed in these evaluations that the functions of safety-significant major installations such as shutdown, cooling and containment would remain intact even under the action of the newly-defined design basis ground motion.

The validity of these interim reports will be assessed by governmental committees and by the Nuclear Safety Commission.

We will continue with the back-check project and the systematic employment of additional measures for increasing seismic safety margins.

3. Change of Vice Chairman

Finally, I would like to mention that Mr. Kondo has retired from the president post at Hokkaido Electric Power and also from the vice chairmanship at FEPC.

In the meeting today of the general policy committee, Mr. Takahashi, President of Tohoku Electric Power, was elected vice chairman as Mr. Kondo’s replacement. All other board members remain the same.