

Summary of Comments Made by Tsunehisa Katsumata, FEPC Chairman, at a Press Conference on May 23, 2008

Today, I would like to comment on two topics. The first is about *the efforts of the electric power companies of Japan to create a low carbon society*; the second is about *the enhancement of public relations facilities for exhibitions on the geological disposal of high-level radioactive waste*.

1. Efforts of the Electric Power Companies of Japan to Create a Low Carbon Society

Post-Kyoto discussions are increasing as the Toyako Summit approaches. In the meeting today of our General Policy Meeting, we outlined what activities the electric power companies of Japan should do to *create a low carbon society*. (Please refer to the Document 1.)

As I have mentioned in earlier opportunities, our basic policy is to do our best to tackle *global environmental issues* on both the supply and demand sides. We have responsibility as suppliers of electric power, and to ensure a good balance with our commitment to an *economical and stable supply*, which has impacts on corporate activities and the quality of life.

Specifically, our efforts are founded on *the three pillars of nuclear power, renewable energy, and energy saving*.

The first pillar is *the utilization of nuclear power*.

Last month, at the annual conference of the Japan Atomic Industrial Forum, Prime Minister Fukuda acknowledged *the crucial role of nuclear power in tackling global warming*. Going forward, we will be building additional reactors at new and existing sites to increase the share of non-fossil energy (including hydro and renewables) from the present level of about 40% to 50% by fiscal 2020.

We are also striving to improve the capacity factor at existing nuclear power plants while attaching the highest priority to safety. Taking advantage of the revision of governmental regulations to increase rationality, we will step up our

quality control to make operations more stable.

The second pillar is *expanding the use of renewable energy sources*.

The electric power companies of Japan have been encouraging the use of renewables by purchasing surplus power from solar power systems, promoting the use of green power funds and certificates, and ensuring the steady fulfillment of purchase obligations established by the Renewables Portfolio Standard (RPS) Law.

While the expanded use of renewables is an important task for Japan, which has few domestic energy resources, renewable energy is susceptible to the vagaries of the weather. For stable service, renewable power must be interconnected with our power networks.

We therefore studied the records of renewables utilization to determine how much wind power and solar power we might be able to accept without sacrificing the stability of our power networks.

The study suggested that, over Japan, we might accept the interconnection of up to 5 million kW of wind power (approximately three times as large as the present level of 1.7 million kW), and up to 10 million kW of solar power (approximately seven times the present level of 1.5 million kW) except in cases of local congestion.

Higher penetration of renewables requires a major renovation of power system infrastructure, which will need careful discussion on who should pay for this and how.

In consideration of the limited land space and climatic conditions of Japan, we believe that solar power, which allows rooftop installation, has higher potential for growth than wind power or biomass. We will therefore study the expanded use of solar power.

The third pillar is *higher efficiency in energy consumption*.

Specifically, we support a shift to electricity in each of the industrial, transport, commercial and residential sectors, and promote the use of highly efficient electric appliances such as heat pumps.

In particular, we are promoting the installation of Eco-Cute water heating systems through public-private cooperation because they will significantly reduce CO₂ emissions as they replace conventional water heating systems. Our new goal is to achieve ten million installations by the end of fiscal 2020.

In addition to these three pillars, we will continue to improve our supply-side *efficiency in fossil-fired generation* by expanding *LNG combined cycle generation* and introducing IGCC. As to international cooperation, we will strengthen our sectoral approach, such as the technical cooperation and assistance to developing countries for raising the efficiency of coal-fired generation, mainly under the initiative of APP.

With regard to the Cool Earth - Innovative Energy Technology Program formulated by the government in March, we are committed to the mid to long term in close partnership with the government in areas that concern the electric power industry.

2. Enhancement of Public Relations Facilities for Exhibitions on the Geological Disposal of High-Level Radioactive Waste

Next, I will comment on the enhancement of our public relations facilities for exhibitions on the geological disposal of high level radioactive waste. FEPC has been helping to prepare and maintain energy-related and nuclear power-related displays in the Science Museum (Kitanomaru, Tokyo). Since existing displays have become old and obsolete, a complete renewal is planned. FEPC and NUMO decided to jointly create a new experience-oriented exhibition space in this museum to help visitors understand high-level radioactive waste disposal.

Adding to displays on *energy resources* and *the nuclear fuel cycle*, there is a corner for *geological disposal*. Visitors will ride an elevator to enjoy a virtual visit to a deep geological disposal facility, where they will learn about issues concerning geological disposal. We will make another announcement to invite

you to visit after the construction is finished at the end of March next year.

Electric power companies such as Tokyo Electric Power, Kansai Electric Power and Chubu Electric Power are preparing to upgrade their displays on geological disposal at their exhibition spaces.

Thank you for your attention.