

Summary of Press Conference Comments Made by Makoto Yagi, FEPC Chairman
on July 18, 2014

Thank you for taking the time to be here. First, I would like to say a few words as chairman of the FEPC on the following two topics: strengthened efforts for promoting the final disposal of high-level radioactive wastes, and the future discussions on energy policy.

Since the beginning of July, our customers have been asked to cut back on electricity during the summer. We apologize to everyone for the significant inconvenience and trouble this will cause, and ask again for their cooperation. We expect the supply and demand situation to be extremely tight again this summer, and we will have to make extensive use of thermal power generation. However, we will continue to make utmost efforts to fulfill our mission, which is to provide a stable supply of electricity.

1. Strengthened efforts for promoting the final disposal of high-level radioactive wastes

First, I would like to say a few words on the strengthened efforts for promoting the final disposal of high-level radioactive wastes. Final disposal is an issue which cannot be avoided for operating nuclear power plants, and it is important for the government, NUMO and the power companies to fulfill their respective responsibilities. As generators of nuclear waste, the power companies have worked to increase understanding on final disposal jointly with the government and NUMO, while providing personnel support to NUMO. However, even though ten years have passed since NUMO started to accept applications for document screening on potential repository sites in 2002, there are still no prospects for selecting a site, which is a very serious issue.

Accordingly, at a Cabinet Meeting on this issue last December, the government announced a new process in which it will take the lead in selecting a repository site. Meanwhile, an interim report of the government working group required NUMO to step up its current efforts as the responsible organization, while also stating that power companies must strengthen their personnel and technical support for NUMO, and make greater efforts to gain public understanding.

In response, NUMO launched a new organizational system in early July to enhance its efforts in this area. In addition, the power companies have been considering how to prepare their organizations for strengthening the ties with NUMO and providing it with further support, and decided to set up two new organizations: a "Liaison Council for Promotion of Nuclear Waste Final Repository" and a "Promotion Headquarters of Nuclear Waste Final Repository". Please look at [Document 1](#).

The first group, Liaison Council for Promotion of Nuclear Waste Final Repository, is a new committee structure consisting of the presidents of nine power companies and the Japan Atomic Power Company, and will act as the core of our efforts. Specifically, it will meet roughly every month to make decisions and exchange information on how to help ramp up the efforts for final disposal through personnel support, activities for winning the understanding of those concerned, and effective technical and other forms of support. The Council held its first meeting today, and all presidents confirmed that the power companies will strengthen their ties with the government and NUMO to jointly promote final disposal.

The second group, Promotion Headquarters of Nuclear Waste Final Repository, was established through reorganization within the FEPC. The Headquarters will enhance certain activities of the former organization, particularly those for gaining the understanding of those concerned, and gather technical information on final disposal in general as part of its functions, while also being responsible for operating the newly-established Liaison Council.

The current Vice-Chairman of FEPC will serve as Chairman of the Headquarters, while the heads of the General Planning, Public Relations, Siting & Environment, and Nuclear Power departments will all double as members of the Headquarters, thus making our efforts truly cross-organizational.

2. Future discussions on the national energy policy

Next, I would like to say a few words on the future discussions on the energy policy. Based on the finalization of the Basic Energy Plan in April, three new subcommittees were established last month under the Advisory Committee for Natural Resources and Energy to discuss specific policies: Nuclear Energy, New and Renewable Energy, and Energy Efficiency and Conservation Subcommittees. Our views on each area are summarized in [Document 2](#).

Regarding nuclear energy, which offers an excellent 3E balance, we think it has a very important role as an important baseload power source in the energy policy of Japan, which has limited resources. While the agenda of the Subcommittee includes lowering the dependency on nuclear power, it is essential to secure a certain amount of nuclear power to ensure a high level of safety and to maintain the level of skills and personnel. Further, nuclear power requires massive investment and an extremely long time frame. Thus, we ask the relevant parties to promptly discuss improving the business environment so that private companies can plan their businesses with foresight even under an increasingly competitive environment.

Regarding renewable energies, we consider that its use should be maximized as it is environment-friendly and raises the energy self-sufficiency rate. However, there are various costs and technical issues such as the level of the purchase price of the FIT system, the need to secure adjustment power sources to maintain quality, and enhancing the facilities for connecting to the grid. Thus, the expansion of renewables needs to be addressed based on a long-term schedule, while controlling the burden on consumers.

Regarding energy conservation, it is important to set a rational target, and to improve energy efficiency, such as by introducing high-efficiency equipment. In considering specific measures, we ask that the discussions consider the actual situation of use, without placing disproportionate emphasis on certain areas or energies.

The above issues are expected to be repeatedly discussed in the future while pursuing an optimal energy mix and the measures for achieving it. We ask that realistic discussions be held considering the limited resources of Japan and the position of each energy source. Being in charge of actual operations, we will actively participate in the discussions.

This is all for today. Thank you for your kind attention.

July 18, 2014
Federation of Electric Power Companies

Strengthened efforts for promoting the final disposal of high-level radioactive wastes

Regarding the final disposal of high-level radioactive wastes (HLW), a new government-led process for siting a repository^{*1} has been indicated by a meeting of the Inner Cabinet on HLW disposal (December 17, 2013), while an interim report of the government WG on radioactive wastes (May 2014)^{*2} required the Nuclear Waste Management Organization of Japan (NUMO) and the power companies to step up their current efforts.

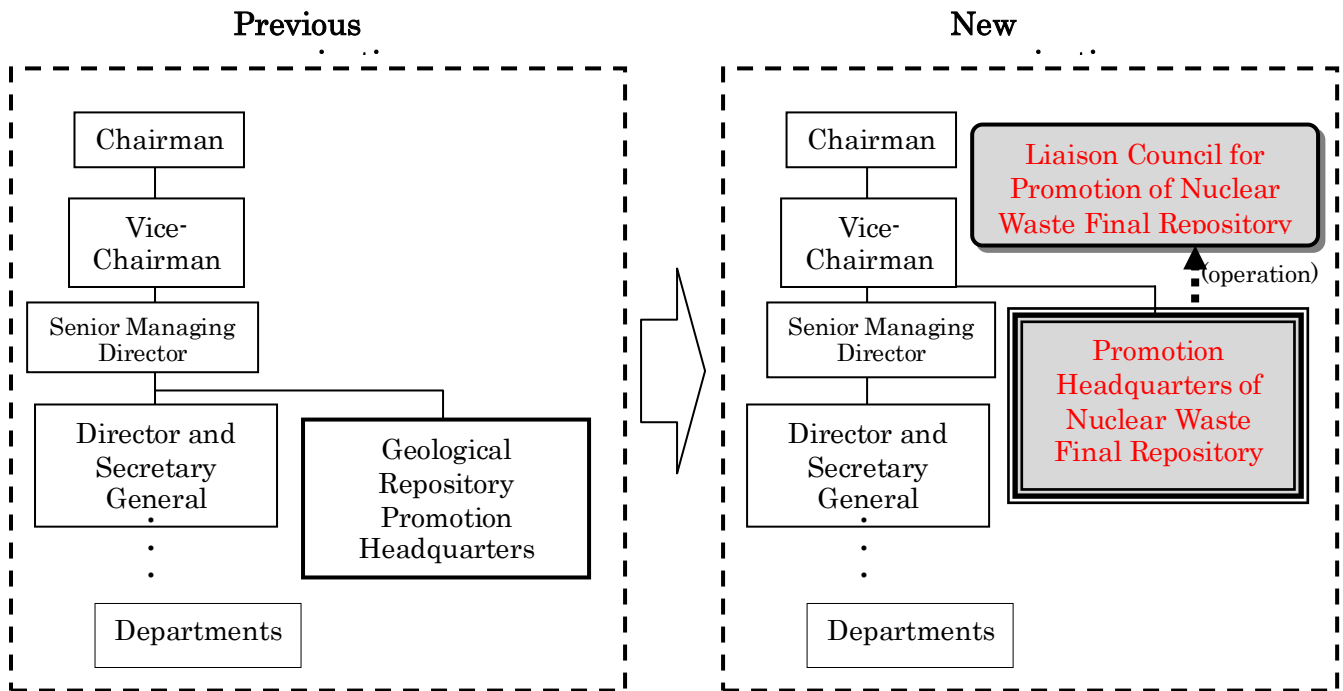
Accordingly, to support NUMO's activities and promote the final disposal of HLW, the power companies made the following organizational changes:

1. Establishment of the Liaison Council for Promotion of Nuclear Waste Final Repository (established and held the first meeting on July 18)

- This Liaison Council is a new committee structure consisting of the presidents of nine power companies that generate HLW, and the Japan Atomic Power Company. The Council will make decisions and exchange information on how to effectively assist efforts toward final disposal.

2. Strengthening of the functions of the “Geological Repository Promotion Headquarters” and renaming it as “Promotion Headquarters of Nuclear Waste Final Repository” (implemented on July 18)

- In charge of operating the Liaison Council for Promotion of Nuclear Waste Final Repository
- In addition to continuing nationwide PR activities and assisting NUMO's activities to gain public understanding, the Headquarters will gather technical information on HLW final disposal in general, including alternative options to geological disposal.
- The current Vice-Chairman of the FEPC will serve as Chairman of the Headquarters, and the heads of the General Planning, Public Relations, Siting & Environment, and Nuclear Power departments will all double as members of the Headquarters, and three new personnel will be added.



*1 A new repository siting process led by the government
 “Based on scientific evidence, the government will indicate regions that could be more suitable than others (scientifically-promising regions). The government will then lead intensive efforts to gain the understanding of the parties concerned, after which it will submit a request to several regions.”

*2 Interim report of the Radioactive Waste WG (May 2014)
 A report compiled based on the 13 discussions at the Radioactive Wastes WG of the Nuclear Energy Subcommittee (in the Electricity and Gas Industry Committee, Advisory Committee for Natural Resources and Energy) since May 2013 to fundamentally review the efforts for final disposal. A summary of the requests made to NUMO and the electric power companies is as follows.

NUMO

NUMO should strongly recognize that it is expected to strengthen its organizational governance and transform into a target-driven organization, and draw up and implement fundamental improvement measures.

Power Companies

In addition to providing NUMO with personnel and technical support, the power companies must make their own efforts to develop a common understanding with the people and the region.

Future discussions on the national energy policy

- To achieve the "S+3E policy" indicated in the Basic Energy Plan approved by the Cabinet in April, specific discussions for each area have begun at the following Subcommittees: Nuclear Energy, Renewable Energy, and Energy Efficiency and Conservation.

Our views on each energy source

◆ Nuclear energy

- Nuclear energy, which offers an excellent 3E balance, has a very important role in the energy policy of Japan, which has limited resources.
- It is necessary to continue to secure a certain amount of nuclear power as an "important baseload power source" strictly premised on safety.
- To do so, it is necessary to improve the business environment so that private companies can plan their nuclear businesses with foresight even under an increasingly competitive environment.

◆ Renewable energies

- The use of renewable energies should be maximized as they are environment-friendly and raise the energy self-sufficiency rate.
- Meanwhile, there are many cost and technical issues such as the level of the purchase price of the FIT system, grid connection, and the need for supply and demand adjustment.
- Thus, the expansion of renewables should be addressed based on a long-term schedule, while controlling the burden on consumers.

◆ Energy conservation

- Energy conservation is an essential issue for Japan, which has limited resources.
- It is necessary to set a rational target without placing disproportionate emphasis on certain areas or energies, and to improve the energy efficiency of the country by introducing high-efficiency equipment.
- To do so, measures must be considered based on the actual situation of energy use in each sector.

- These issues are expected to be repeatedly discussed in the future while pursuing an optimal energy mix and the measures for achieving it.
- Being in charge of actual operations, the power companies would like to participate actively in the discussions.