

Summary of Press Conference Comments Made by Makoto Yagi, FEPC Chairman,
on September 19, 2014

Thank you for taking the time to be here. Today, I would like to say a few words on the following three topics: the supply and demand for electricity this summer, our views on the discussions on the nuclear policy, and the efforts by the nuclear operators for disaster prevention.

1. Supply and demand for electricity this summer

First, I would like to say a few words on the supply and demand for electricity this summer. This summer, all regions except Okinawa have been asked to save electricity. Once again, I sincerely apologize to everyone for the inconvenience, and thank them for their cooperation.

This summer saw record rainfall and little sunlight, particularly in western Japan. Due to the bad weather, temperatures remained lower throughout the summer. The highest national average temperature for August was 30.7°C, as much as 2.7°C lower than the previous year.

Accordingly, the peak total electricity consumption was 152.74 GW, down 4% or 6,320 MW from last summer. The supply capacity for this day measured 168.06 GW, and the usage rate reached 91%. By region, the total electricity consumption of the six power companies of central and western Japan and the three power companies of east Japan peaked on July 25 and August 5, respectively, with usage rates of 92% and 90%. The demand did not rise with the temperature this year, presumably because it was hot for only a short period after the rainy season; although it did rise to 35.8°C on July 25 when electricity consumption peaked, it did not stay high for long.

Regarding securing supply capacity, each power company made utmost efforts to increase its capacity, such as adjusting the timing of repairs and the interval between periodic inspections of thermal power plants, restarting the thermal power plants that had been shut down due to many years of operation, and bringing forward the scheduled start of new thermal power plants.

While a serious supply-demand crunch has been avoided so far, fully operating and overusing the thermal power plants is not a proper, sustainable way of operation and could lead to failures, even if the power companies continue their efforts to ensure security and maintain stable operation.

We will continue to make utmost efforts on both the supply and demand sides. However, for securing a stable supply of electricity on a sustainable basis, it is essential to restart the nuclear power plants so that they can play a role in energy security.

2. Our views on the discussions on the nuclear policy

Next, I would like to say a few words on the discussions on the nuclear policy. The Nuclear Energy Subcommittee has been discussing reviewing the roles of the public and private sectors and the direction of the new policy measures, assuming that the nuclear power industry will continue to be run by the private sector under increased competition.

Nuclear power is positioned by the Basic Energy Plan as an important baseload power source which, by systematic and consistent use, can greatly contribute to achieving the 3Es. For private companies to be able to secure and operate a certain amount of nuclear power, it is essential to build an environment in which they can plan and operate their businesses for the long term. The power companies are willing to maintain their organizations in terms of both technology and human resources, focus on enhancing safety as the overriding management priority, and deal responsibly with business risks. However, the business environment must be improved concerning risk control measures that are beyond the power of private companies, such as regulatory and policy changes.

Specifically, as we have mentioned in the Nuclear Power Subcommittee, to adapt to the environmental changes, including regulatory and policy changes and increased competition associated with the reforms of the electric power system, it is necessary to mitigate the financial and accounting risks associated with decommissioning, and to redefine the roles of the public and private sectors.

We ask the relevant authorities to continue to consider these measures before full deregulation and to implement the necessary systems and measures so that the power companies can continue to operate their businesses predictably even under the increasingly competitive environment.

3. Efforts by the nuclear operators for disaster prevention

Next, I would like to comment on the efforts by the nuclear operators for disaster prevention. To ensure the safety of nuclear power stations, each power company is making voluntary and continuous efforts to improve safety, in addition to responding accurately to the new regulatory safety requirements. In addition to working on the facilities, the power companies are also taking various measures to deal with emergencies, including building and improving important hubs such as emergency response centers, conducting drills to respond to severe accidents, and preparing manuals.

Meanwhile, regional disaster prevention and evacuation are being considered by the respective municipalities with the assistance of the central government. Last week, on September 12, the emergency response guidelines for the region of the Sendai Nuclear Power Station were indicated at

the Nuclear Power Disaster Management Council. The power companies are also strengthening their response to regional disasters: rather than leaving the power company that operates the power station to deal with it, there is industry-wide collaboration by the nuclear operators. I would like to introduce two such industry-wide efforts.

First is the Nuclear Emergency Support Center established within the Tsuruga Training Center of the Japan Atomic Power Company. As reported in the press conference last October, the purpose of this Center is to help a power company deal with a nuclear accident by distributing materials and equipment such as remote-controlled robots to the site in the event of a nuclear disaster. Considered as a predecessor of the official organization to be launched in Fukui Prefecture in FY 2015, the Center is now actively procuring and managing materials and equipment and training the operators in collaboration with the power companies.

Second is the mechanism for mutual collaboration between the nuclear operators. To deal with emergencies, twelve companies consisting of the nine power companies, the Japan Atomic Power Company, Japan Nuclear Fuel Limited and J-Power have signed a mutual cooperation agreement for providing personnel and supplies among them. Specifically, in the event of a nuclear disaster, these organizations will provide logistical support together with the municipalities, which will include dispatching 300 personnel to assist in environmental radiation monitoring and screening of residents, and providing various supplies and equipment.

Support has been provided based on this agreement during the Fukushima Daiichi accident, including dispatching a total of 60,000 personnel so far, and the agreement has been improved based on this experience.

The power companies will continue to work to raise the safety level of the nuclear power stations. Bearing in mind that there is no "absolute safety", an accident, if it occurs, will be dealt with by an industry-wide effort by fully mobilizing the resources of each power company, including the measures explained today.

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