

Summary of Press Conference Comments Made by Satoru Katsuno,  
FEPC Chairman, on July 15, 2016

I am Satoru Katsuno, the Chairman of the Federation of Electric Power Companies or FEPC. This is my first media conference as the FEPC Chairman.

Today, I would like to talk about ‘key tasks to be addressed in the future’ and ‘nuclear licensees’ stance on the review of the nuclear power station inspection system.’

1. Key tasks to be addressed in the future

In opening my first media conference as the FEPC Chairman, I would like to talk about our ‘key tasks to be addressed in the future.’

The full liberalization of the retail power market in April this year has placed the electric power industry into the period of greater change than ever before.

At the same time, despite such significant change in the business environment, it continues to be our mission to maintain affordable and stable supply of electricity, thereby contributing to raising the level of comfortable living and economic activity.

Accordingly, there are three tasks we must take on with priority.

The first and the greatest task is to restore public trust in nuclear energy.

With strong resolve to never allow any accident like the one at the Fukushima Daiichi Nuclear Power Station to occur again, we are exploring and implementing safety improvement measures in line with the New Regulatory Requirements.

In clear recognition of the fact that there is no end to our endeavor to improve nuclear safety, we are working with external organizations such as JANSI (Japan Nuclear Safety Institute) and NRRC (Nuclear Risk Research Center of the Central Research Institute of Electric Power Industry) to further pursue a greater level of nuclear safety.

In order to restore public trust in nuclear energy, we are committed to reinforcing these initiatives, while explaining the details of these initiatives to people in society at large.

At the same time, we will respond appropriately to compliance reviews so as to achieve early restart of nuclear plant operations.

The second task is to establish the nuclear fuel cycle technology.

In view of the energy situations of this resource-poor nation, it is necessary to continue using nuclear energy as one of baseload power sources. The nuclear fuel cycle technology is very important also from the perspectives of effectively utilizing uranium resource and reducing the bulk of waste.

We will make all-out efforts to overcome miscellaneous hurdles for establishing the nuclear fuel cycle technology, e.g. completing the fuel reprocessing plant and MOX fuel fabrication plant in Rokkasho, steadily promoting the plu-thermal program, addressing the issue of spent fuel storage and promoting public understanding over the final disposal of high-level radioactive waste.

The third task is to reform the electricity system and respond to debate on energy policies.

To ensure that the on-going electricity system reform will be truly of benefit to customers, we will offer active cooperation in the government's efforts to 'make considerations and detailed designs for promoting the third stage of the reform' and 'develop the business environment for the use of nuclear energy.' At the same time, we will assert our positions on these matters in the course of debate.

Through addressing these tasks, we will make our contributions toward resolving Japan's energy issues.

## 2. Nuclear licensees' stance on the review of the nuclear power station inspection system

Next, let me talk about the nuclear licensees' stance on the review of the nuclear power station inspection system.

The Nuclear Regulation Authority's Study team on the Review of the Inspection System has recently started considering the overhaul of the NPS inspection system to enhance its effectiveness.

We believe that reviewing the inspection system in the 'risk-informed' and 'performance-based' approach, in which risk information is utilized to clarify its effect on safety, will lead to in-depth examination of inspection items that are considered to be important to safety, and bring greater emphasis on potential risks in NPS regulation and administration. Such an approach should therefore effectively enhance the safety of nuclear facilities.

The U.S. system, which is used as the template for this review, incorporates the status of nuclear licensees' safety activities under the fundamental premise that they are primarily responsible for safety assurance. Regulatory provisions are combined with licensees' activities to generate upward safety spiral for nuclear facilities.

We believe the nuclear licensees' own safety activities must undergo continuous improvement for greater enhancement.

Matters for future considerations include, since the review will significantly alter the current regulatory structure, 'gradual introduction of the revised inspection system,' 'continuous improvement of the system itself,' as well as 'enhancement of communication between the regulating and regulated sides.'

We will continue to actively cooperate with the review process so that the revised inspection system will further raise the safety level of nuclear facilities.

## 3. Progress of the initiative to establish the Spent Fuel Reprocessing Organization

Finally, I would like to report the progress of the initiative to establish the Spent Fuel Reprocessing Organization.

In last month's media conference, the previous FEPC Chairman Yagi said that the presidents of Japan's nine electric utilities that operate nuclear power businesses and Japan Atomic Power Company confirmed their intention to become the new Organization's founding members as of July 1.

As already mentioned, these founding members held an inaugural meeting on that day. The meeting selected myself as the group's representative, and decided to set up a secretariat for the group.

Today, the members unanimously made an informal decision to set up the Organization's office in Aomori City, and

agreed to start preparatory work.

Despite the new business environment following the full liberalization of the retail power market and the government's decision to lower the nation's reliance on nuclear energy, we will continue to secure the understanding of local residents near nuclear facilities as well as a broader section of society in working with Japan Nuclear Fuel Limited to steadily promote fuel reprocessing and other operations.

That is all from me for today.