

Summary of Press Conference Comments Made by Satoru Katsuno, FEPC Chairman,
on July 20, 2018

I am Satoru Katsuno, Chairman of the Federation of Electric Power Companies.

<On the torrential rain of July 2018>

In the first half of this month, the “torrential rain of July 2018” ravaged Western Japan, especially the Chugoku and Shikoku regions.

I would like to offer my heartfelt condolences for those who lost their lives in this disaster and express my deepest sympathies to the bereaved families and those who were affected.

Electrical facilities in Western Japan were severely damaged by the heavy rain, and various areas experienced power outages.

Especially in the Chugoku region, which suffered immense damage from flooding, landslides and the like, almost 193,000 households experienced blackouts, mainly around Hiroshima prefecture. Chugoku EPCO has made an all-out effort in restoring power starting immediately after the disaster hit, and the four utility companies of Western Japan sequentially dispatched support vehicles and personnel at Chugoku EPCO’s request to restore electricity as quickly as possible.

Due to these efforts, power transmission has been restored in the Chugoku, Shikoku regions as of July 13, excluding customers who are currently unable to make predictions about their power usage.

Two years and three months have passed since the full liberalization of electricity retail sales. Operators have been improving by learning from others and working hard in this tough competitive environment. Regardless, “stable supply of electricity” continues to be our most important mission.

Electricity demand has been increasing with the severe heatwave that has been ongoing since mid-July. We intend to continue cooperating with each other and work closely in providing power stably—just a day before yesterday, five utility companies transmitted power to the Kansai EPCO area to help Kansai EPCO keep up with demand.

Now I would like to move on to discuss the “Cabinet approval of the Fifth Strategic Energy Plan”.

<On the Cabinet approval of the Fifth Strategic Energy Plan>

The “Fifth Strategic Energy Plan” was approved in the Cabinet meeting on July 3.

I would like to express my respect for the people involved, including members of the committee who have worked tirelessly in discussing the ideal future state of Japan’s energy situation.

This Plan firmly maintains basic policies, notably the energy mix and power composition in 2030, while striving to advance and reinforce measures in light of the changing circumstances. With the goal of making a transition in the power source composition and decarbonization for 2050 given the Round Table for Studying Energy Situations proposals, an “ambitious multiple track scenario” was adopted to pursue all possibilities.

We will be accelerating our own efforts in various areas including expanding the use of renewable energy with the aim of making it a main power source, and restarting nuclear power plants to achieve the 2030 energy mix put forth in the Plan.

For 2050, we will also be building a next-generational network system for the large-scale introduction of renewable energy and increasing the efficiency of thermal power generation which will still be necessary as an adjuster for renewable energies and other sources.

It is nevertheless extremely important for Japan, a country with few energy resources and unable to exchange electricity with neighboring countries, to realize a balanced energy mix that does not rely too heavily on a particular power source or fuel source from an “S+3E” standpoint.

The Plan continues to maintain the view that nuclear power generation will provide 22-20% of electricity in FY2030 as an important baseload power source for the future. The nuclear fuel cycle will continue to be advanced and strides will be taken to reduce the plutonium stockpile.

We as nuclear operators will continue to respond appropriately to the new regulatory requirements. We will cooperate with the “Atomic Energy Association” established on July 1, to secure a higher dimension of safety beyond what is required by regulation.

Yesterday, Kyushu EPCO restarted the commercial operation of Genkai Nuclear Power Station Unit 4. We will pursue the 2030 energy mix through such early restart of nuclear power plants and their stable operation.

We consider the nuclear fuel cycle, including the use of MOX fuel, to be of high

importance from the viewpoints of effective use of uranium and volume reduction of waste. Together as an industry, we are committed to do our utmost in introducing MOX fuel and establishing the nuclear fuel cycle, as well as reducing plutonium.

Nuclear power generation is seen as an “already commercially viable option for decarbonization” in this Plan’s long-term energy prospects for 2050.

As nuclear operators of a country which has experienced the Fukushima Daiichi Nuclear Disaster, we will be strong in our resolve to carve out the future for nuclear energy. We will strengthen our nuclear-related human resources development and technology development efforts and work tirelessly in pursuing safety and economic efficiency to prepare for the future construction of new and additional units and replacements.

This will conclude my segment today.

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