

Summary of Press Conference Comments Made by Satoru Katsuno, FEPC Chairman
on October 19, 2018

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

Today I would like to talk about the following three points: the “response to the natural disasters that occurred this summer,” “JNFL’s progress on checking conformity to new regulatory requirements,” and the “discussion on turning renewable energy into a main power source.”

<On the “response to the natural disasters that occurred this summer”>

First, I would like to address our response to the natural disasters that have occurred this summer.

The “Heavy Rain Event of July 2018” occurred in July of this year, mainly in western Japan. “Typhoon Jebi” (21st typhoon of the year) in the beginning of September and “Typhoon Trami” (24th typhoon of the year) from the end of September to the beginning of October, passed through Japan.

A series of natural disasters devastated our nation this summer, including the “2018 Hokkaido Eastern Iburi Earthquake” with a maximum seismic intensity of 7 that occurred on September 6.

I offer my heartfelt condolences to those who lost their lives and express my deepest sympathies to the bereaved families and those who were affected.

I again deeply apologize for all the immense trouble and inconvenience that the long-term power outage has caused our customers all across the country.

Utilities that were hit by these heavy rains, typhoons, and earthquake have been doing their utmost in recovering the facilities, and utilities across the nation have been constantly sending emergency vehicles such as high pressure generator vehicles and response personnel in support of the utilities in the disaster-stricken areas.

More specifically, in order to respond to the natural disasters that occurred this summer,

other utilities have sent the affected utilities approximately 260 high pressure generator vehicles in total and approximately 2,700 response personnel in support. The electric power industry has united worked for the early recovery of outages across Japan.

The “Electricity Resilience Working Group”, a governmental working group that verifies the resilience of electric infrastructure, was held on October 18 to start discussing an overhaul of electricity infrastructure, operations methods to minimize risk and damage, cooperation between utilities for the early recovery from outages, and ways to provide information to customers.

The “stable supply of electricity” continues to be our ultimate mission for utilities.

We will continue to do our all to provide our customers with a stable supply of electricity, incorporating the lessons learned in this summer’s disasters as an industry by having discussions on building a support framework that can provide equipment, materials and response personnel more swiftly to restore electricity more quickly.

<On “JNFL’s progress on checking conformity to new regulatory requirements” >

Next, I would like to address Japan Nuclear Fuel Limited’s (JNFL) progress on checking conformity to new regulatory requirements.

JNFL’s Rokkasho Reprocessing Plant is undergoing a review checking conformity to new regulatory requirements. In the Review Meeting on Earthquakes and Tsunamis held on September 14, the Rokkasho Reprocessing Plant received the assessment that “all issues that should be investigated in this meeting have been reviewed.”

On the 5th of this month, JNFL submitted an amendment to the Nuclear Regulatory Authority (NRA) reflecting all items explained in the review meetings and hearings.

The promotion of the nuclear fuel cycle was outlined in the 5th Strategic Energy Plan approved in a Cabinet meeting in July and FEPC also considers the nuclear fuel cycle, including the use of MOX fuel, extremely important in terms of effective use of uranium and the volume and toxicity reduction of waste.

The progress in the review for the completion of the Rokkasho Reprocessing Plant is especially significant as it will serve as the foundation for the nuclear fuel cycle. We hope that JNFL will continue to put all efforts into gaining permission and approval from the NRA.

At the end of September, the Hiroshima High Court lifted the earlier preliminary injunction to suspend Shikoku EPC's Ikata Nuclear Power Station Unit 3, run on MOX fuel, followed by a decision by the Oita District Court to reject a plea to stop the restart of the same station.

We feel that is a result of Shikoku EPC's endeavors to explain its efforts in securing the nuclear power station's safety.

We, as nuclear operators, will continue to support JNFL as an industry and work tirelessly to introduce MOX fuel in power plants to establish a nuclear fuel cycle.

<On "discussion on turning renewable energy into a main power source">

Finally, I would like to address the discussion on turning renewable energy into a main power source.

Discussions on turning renewable energy in a main power source have started in the government's "Subcommittee on the Large-Scale Introduction of Renewable Energy and Next-Generational Networks" in late August.

Current issues raised include “accelerating the cost reduction in renewable energy generation, gaining economic independence from FIT,” “ensuring that the business is run in a manner stable in the long-term as a responsible power source,” “building a next-generational network.” We take this to mean that the Subcommittee will be sorting out issues to make renewable energy a stable main power source that is financially independent and well established in society as well as addressing challenges.

It is vital for Japan as a country lacking in energy resources to realize a well-balanced energy mix from an “S+3E” perspective. FEPC considers effective discussions on reducing the cost of renewable energy, aiming for making it a main power source particularly significant.

At the end of last week, renewable energy output control was implemented for the first time, excluding remote islands, in the Kyushu region where renewable energy is particularly prevalent.

Kyushu EPC has been doing its utmost to accommodate renewable energy by suppressing thermal power generation and reducing supply capability as much as possible during the day when solar power generation output increases, while pumping up the water in the pumping-up power plants to increase demand, as well as using gateway interconnection lines as much as possible to transmit power to other areas.

Having implemented all of these measures, the supply capability was still expected to exceed demand, leading to output control of renewable energy, based on the Organization for Cross-regional Coordination of Transmission Operators’ “priority dispatch rule” for the stable supply of electricity.

The goal is to incorporate renewable energy, whose output is difficult to adjust, as much as possible in the energy mix while minimizing the burden on the Japanese people and the CO2 emissions and securing a stable supply of electricity. In order to achieve that goal, “long-term fixed power generators” such as hydropower and nuclear power will need to be used as baseload power sources and the output of renewable energy controlled.

Such renewable energy output control is already being implemented in Europe where renewable energy is widely spread.

We as utilities will continue to expand the network of renewable energy in various areas and strive for the stable supply of electricity through the appropriate balancing of demand and supply based on the “priority dispatch rule.”

This will conclude my segment today.

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