

Summary of Press Conference Comments Made by Satoru Katsuno, FEPC Chairman,
on November 16, 2018

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

Today I want to talk about the following three topics: “measures to strengthen electricity infrastructure”, “demand and supply outlook for this winter,” and “COP24”.

<Measures to strengthen electricity infrastructure>

First, I would like to address the “measures to strengthen electricity infrastructure”.

In light of the wide ranging and long-term blackouts that have occurred as a result of this summer’s natural disasters, the government has established the “Electricity Resilience WG” to discuss what a resilient electricity infrastructure would look like.

I would like to express my deep respect to the WG members and related parties who have been energetically investigating this issue and have produced the interim report on the strengthening of electricity infrastructure in the fourth WG session held the day before yesterday.

The Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO) have investigated and compiled the cause of the large-scale blackout that occurred throughout Hokkaido and its recurrence prevention measures. The WG has taken this report and have comprehensively verified the resiliency of the electricity infrastructure, taking into consideration the economic efficiency of such an effort by researching the background to Hokkaido EPCO’s investment in electric facilities.

The WG has confirmed that there were no inadequacies in Hokkaido EPCO’s development and operation of electric facilities and have also compiled blackout recurrence prevention measures for the Hokkaido area which I believe other utilities should review to extract measures that are applicable to their own companies and steadily rollout in pursuit of a stable supply of electricity.

Given the results of the comprehensive inspection of electricity resilience, the WG also released an interim report on the “emergency measures” to be implemented immediately and “mid-term measures” to be discussed immediately from the standpoints of “disaster prevention”, in other words, avoiding blackouts as much as possible, and “disaster mitigation”--which include early recovery from outages and swiftly disseminating accurate information to the public.

As an “emergency measure,” FEPC will promote initiatives for the early recovery from outages including accelerating the initial dispatch of support personnel and equipment from other utilities in a large-scale disaster and work on providing accurate information quickly to customers through various channels including Twitter and other social media platforms.

As a “mid-term measure” we will cooperate with policies established to avoid blackouts as much as possible, and work on gathering information using the latest technology and furthering ties with related organizations.

We as utilities will take the lessons learned from this summer’s natural disasters and implement countermeasures as a whole industry as we continue to do our utmost to provide a stable supply of electricity to customers.

<On the “demand and supply outlook for this winter”>

Next, I would like to address the “demand and supply outlook for this winter”.

The general electricity transmission and distribution utilities reported their demand and supply outlook for this winter to OCCTO. This information was compiled and then discussed in the government’s “Electricity and Gas Basic Policy Subcommittee” held on November 8.

In this year’s review, the demand and supply balance in a scenario in which power is not transmitted from the Hokkaido area to other areas was also considered and it was confirmed that the utilities would be able to secure the necessary reserves for stable supply even in such a scenario.

There was no set power conservation target for the Hokkaido area, only a request for power saving as tight demand and supply in the winter in this area could pose a threat to life and security.

We ask for the people of Hokkaido to please try to conserve power while ensuring their own wellbeing.

The electricity demand for all utilities still factors in the energy conservation efforts of our customers.

At the same time, aged thermal plants have had to continually be used on the supply

front, and electricity supply overall is still heavily dependent on thermal power generation.

We will continue to do our utmost on both the demand and supply side to prepare for increases in electricity demand accompanying falling temperatures and the risk of supply capability reduction due to facilities failures given last year's experience with tight demand and supply in the TEPCO power grid transmission and distribution area due to the cold wave and thermal power generation facilities failures.

Looking at the current situation, we are made well aware of the significant role that nuclear power plays especially in terms of securing a stable and sustainable supply of electricity.

As electric utilities, we will continue to respond appropriately to the new regulatory requirements and provide thorough explanations to the local communities and the society at large for the earliest possible restart of the nuclear power plants.

<On "COP 24">

As my third point, I would like to address the "COP 24".

COP 24 will be held in Poland starting on December 2, with the aim of reaching a consensus on the rulebook that will specify how each country will achieve the Paris Agreement adopted in the COP21 in 2015.

At the same time, energy policy continues to be the foundation that supports people's lives and the nation's economic activity, and each country will be seeking to balance global warming countermeasures with energy security for their own unique circumstances.

As a resource-poor country, Japan is aiming to achieve "S+3E" or energy security, economic efficiency and environmental conservation together with safety as the first priority.

I hope the Japanese government will play an active role in COP24 in creating effective and fair rules with the experience and knowledge built through our nation's voluntary initiatives.

In order to achieve the goals set out in the Electric Power Council for a Low Carbon Society (ELCS), we as utilities will also each run our PDCA cycles with a sense of responsibility to reduce greenhouse gases.

We will continue to contribute to the reduction of greenhouse gases on a worldwide scale by pursuing the optimal energy mix while working on using nuclear power generation with safety as the priority, scaling the introduction of renewable energy, and increasing the efficiency of thermal power generation from the standpoint of “S+3E”.

This will conclude my segment today.

END