

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC
Chairman, on July 17, 2020

I am Kazuhiro Ikebe, Chairman of the Federation of Electric Power Companies.

Following the torrential rain that started in earnest in July, areas across Japan, especially the Kyushu and Chubu regions, have experienced significant damage in flooding and landslides.

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.

The heavy rain damaged electrical facilities in the affected areas causing power outages. I deeply apologize for the trouble and inconvenience that the power outage has caused our customers.

In close cooperation with related organizations including municipalities and the self-defense force, local operators are working day and night on recovery except for areas that are difficult to access due to flooding or that are difficult to recover due to caved in roads and landslides.

Now, today, I want to address “our response to the policy package to realize a decarbonized society” and “submitting a disaster cooperation plan”.

<On “our response to the policy package to realize a decarbonized society”>

First, I would like to talk about “our response to the policy package to realize a decarbonized society”.

Resource-poor Japan needs to think about its energy mix comprehensively from an S + 3E perspective, the goal of which is to prevent global warming, provide a stable supply of energy, and achieve economic efficiency

simultaneously with safety as the top priority. We believe that the issue of global warming, a challenge for countries all across the world, needs to be approached from both the supply and demand side with initiatives such as the promotion of electrification and low carbonization of power sources.

Specifically, to use energy efficiently on the demand side, we will promote electrification in various fields as energy demand grows increasingly sophisticated in a society growing increasingly digitalized through AI and IoT. We are also working on low carbonization of power sources on the supply side: promoting the introduction of renewable energy that does not emit CO₂ in generation and the use of nuclear power generation with safety as the basic premise, increasing the efficiency of thermal power plants, and developing technologies to reduce CO₂ emissions.

On July 13, the Electricity and Gas Basic Policy Subcommittee held a meeting at the Ministry of Economy, Trade and Industry to start discussions on the policy package to realize a decarbonized society which includes fading out the use of inefficient coal-fired thermal power, and the revision of transmission line use rules for the expansion of renewable energy.

Coal-fired thermal power was classified as a power source that will continue to be used to some extent in the 5th Strategic Energy Plan. However, the plan also outlines the policy to fade out inefficient coal-fired thermal power use and we believe that discussions will need to be had considering the impact of such an action on employment and the siting region in addition to the necessity of providing a stable supply of electricity.

It is our understanding that the Committee will organize and discuss the revision of the transmission line use rules, including the nationwide expansion of ‘non-firm’ connections of renewable energy generators, and its

technical challenges, as part of the Japanese “Connect and Manage” program to increase renewable energy generation. We as electricity operators will cooperate closely with the discussions regarding this policy package.

< On “submitting the disaster cooperation plan” >

Next, I would like to talk about submitting the disaster cooperation plan.

General transmission and distribution companies formulated a disaster cooperation plan based on the stipulations in the Act for Establishing Energy Supply Resilience (Act on the Partial Revision of the Electricity Business Act and Other Acts for Establishing Resilient and Sustainable Electricity Supply Systems) that was passed on June 5 and submitted it to the Organization for Cross-regional Coordination of Transmission Operators, JAPAN (OCCTO) on July 9.

In formulating the disaster cooperation plan, companies took another look at the existing framework of disaster support among operators and implemented improvements in assessing and sharing the extent of damages, standardizing recovery methods, and strengthening coordination with related organizations such as local authorities for faster outage recovery.

The plan specifically outlines response measures to the challenges identified in the aftermath of last year’s typhoon which include standardization of construction methods for temporary restoration and equipment specifications, building a system to provide a broad view of the damages incurred and the deployment status of power source cars, putting together a collection of cases of cooperation with related organizations such as municipalities, and implementation of joint training.

The ten general transmission and distribution operators will continue to check on the effectiveness of the disaster cooperation plan and increase

proficiency in temporary restoration construction methods through training. To this end, we are planning on conducting desktop training on July 22 to confirm procedures for cooperation and contact system in a disaster and in November, on conducting field training where support personnel of each company will actually cooperate in person both based on the disaster cooperation plan.

In the upcoming typhoon season, providing a stable supply of electricity remains the biggest mission for us electricity operators.

We will continue to cooperate steadily among operators and do our utmost to provide our customers with stable electricity.

<In closing>

Finally, I would like to address promotion of the nuclear fuel cycle.

In the Spent Fuel Measures Promotion Council meeting held at the Ministry of Economy, Trade and Industry on July 2, I explained to the Minister of Economy, Trade and Industry that we will be working to further promote nuclear fuel cycle initiatives.

In response, the Minister requested that we strengthen our efforts in promoting the spent fuel measures and initiatives to complete the Rokkasho Reprocessing Plant, promote the introduction of MOX fuel, swiftly formulate a plutonium use plan and to promote discussions and initiatives regarding the final disposal of high-level radioactive waste and the disposal of dismantled waste.

In order to establish the nuclear fuel cycle, we believe we need to proceed comprehensively and consistently, conducting the reprocessing business steadily, implementing spent fuel measures such as interim storage and dry storage, appropriately managing plutonium and using plutonium through

MOX fuel, promoting the public's understanding of final disposal and implementing it smoothly.

Obtaining the understanding of the siting region is a basic premise in promoting the nuclear fuel cycle. We as nuclear operators will continue to gain the understanding of the public through attentive dialogue.

This will conclude my segment today.

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