

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC Chairman,
on December 18, 2020

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

Time flies—this is already the last press conference of the year. Today I would like to talk about these three points:

- Promotion of the nuclear fuel cycle
- Establishment of the “Committee for Achieving Carbon Neutral in 2050”
- Reflections on 2020 and resolutions for 2021

<About “promotion of the nuclear fuel cycle”>

I first would like to talk about “promotion of the nuclear fuel cycle”.

On July 2, the Spent Fuel Measures Promotion Council held a meeting at the Ministry of Economy, Trade and Industry where Minister of Economy, Trade and Industry Hiroshi Kajiyama requested of the electricity industry to promote spent fuel measures, strengthen efforts to complete the Rokkasho Reprocessing Plant, use MOX fuel in as many plants as possible as much as possible, swiftly formulate a plutonium use plan, and accelerate discussions and initiatives regarding the final disposal of high-level radioactive waste and disposal of dismantling waste. On October 21, the Nuclear Fuel Cycle Council held a meeting where the Governor of Aomori requested that nuclear power operators also continue to further promote MOX fuel and accelerate efforts regarding the final disposal of high-level radioactive waste.

Yesterday, in response to these requests, we met with METI Minister Hiroshi Kajiyama to report on the following four points as measures we nuclear operators will be working on.

First, we informed him of the “electricity industry’s support for the completion of the Rokkasho Reprocessing Plant”. Japan Nuclear Fuel’s Rokkasho Reprocessing Plant

passed the safety review for confirming conformance with New Regulatory Requirements in July of this year and the MOX Fuel Fabrication Plant also passed the safety review just the other day, paving the way for specific actions to be taken for the completion of these plants. We informed the Minister that Japan Nuclear Fuel Limited is currently working on the review for approval of the design and construction plan and on safety measures work, and that nuclear operators will be fully supporting their efforts.

The second item was on the “formulation of the MOX fuel plan”. Under the government’s policy that Japan will not possess excess plutonium, the policy of the Federation of Electric Power Companies of Japan has been making sure to use up the plutonium collected by the Rokkasho Reprocessing Plant. Against this backdrop, as momentum builds for specific actions on the completion of the Reprocessing Plant and MOX Fuel Fabrication Plant as mentioned earlier, we have created a new MOX Fuel Plan on a foundation of the utilities’ existing MOX fuel initiatives. Premised on gaining the understanding of the local residents of the region, all utilities will be working to introduce MOX fuel to as many units as possible in the mid-to-long term, doing their utmost to balance plutonium supply and demand. Additionally, we will be aiming to have MOX fuel in use in at least 12 reactors by FY2030 as an industry. Furthermore, utilities will cooperate and collaborate to promote the use of plutonium domestically and abroad and to reduce the stockpile. We will provide a plutonium use plan that outlines specific amounts of plutonium that will be used by each utility as soon as it is formulated following discussion based on the operation plan for the Rokkasho Reprocessing Plant and MOX Fuel Fabrication Plant.

The third item was our efforts on the “final disposal of high-level radioactive waste.” We have a basic responsibility as a generator of high-level waste. With this in mind, we will continue to cooperate with the national government and Nuclear Waste Management Organization of Japan (NUMO) and engage in dialogue with residents to deepen their understanding of the disposal business and increase their interest in the issue. We will also conduct necessary discussions and initiatives for the disposal of

waste generated in decommissioning by collecting knowledge and expertise, including looking into disposing of large metals overseas.

The fourth item was the “expansion of spent fuel measures”. In a show of cooperation and collaboration among all members of the nuclear industry, we will start considering the joint use of the “Mutsu Interim Storage Facility” being constructed by the Recyclable Fuel Storage Company established together by TEPCO Holdings and Japan Nuclear Fuel Limited. We will also cooperate with the government-led development of technologies related to the reprocessing of spent MOX fuel and will formulate a plan for reprocessing while also discussing concrete storage and transport methods.

Given the energy situation in resource-poor Japan, nuclear power generation will need to continue to serve its part as an important baseload power source. The nuclear fuel cycle involving MOX fuel is critical in effectively utilizing uranium, and reducing the volume and toxicity of waste. We will work comprehensively, coherently and firmly to establish the nuclear fuel cycle by steadily establishing the reprocessing business, utilizing plutonium appropriately through the use of MOX fuel, promoting understanding of final disposal and ensuring smooth disposal.

Obtaining the understanding of the people of Aomori and the public at large is a major premise in steadily promoting the nuclear fuel cycle. We as electricity operators will continue to secure trust and foster a sense of security among the people through conscientious dialogue.

<About “Establishment of the “Committee for Achieving Carbon Neutral in 2050”>

Next, I would like to talk about our efforts on establishing the Committee for Achieving Carbon Neutral in 2050.

Prime Minister Yoshihide Suga recently announced that Japan will aim to reduce greenhouse gas emissions overall to zero by 2050 and realize a decarbonized society.

Global warming is a challenge shared by all of humanity, and we as electric operators are determined to do more for countering global warming than ever before.

Today, the Federation of Electric Power Companies of Japan decided in a General Policy Committee meeting comprised of presidents of each utility to establish a Committee for Achieving Carbon Neutral in 2050, headed by myself, the FEPC Chairman, to implement concrete measures to realize a decarbonized society.

Achieving carbon neutral in 2050 is a very challenging goal. I believe we will need to mobilize all means for decarbonization, powerfully promoting electrification in various fields to use energy effectively on the demand side as well as continuing with initiatives to turn renewable energy into a main power source and maximally using nuclear power on the supply side. These measures require innovation to develop radical, groundbreaking technology and innovation to ensure the spread of such technology which face many challenges.

We held the first meeting of the Committee for Achieving Carbon Neutral in 2050 today with the presidents of all utilities and have confirmed among top management that we will be actively discussing ways to solve the various challenges related to the electricity business. To that end, we will be creating a roadmap and action plan as electricity operators to realize carbon neutral by 2050. The roadmap and action plan will be formulated and disclosed in the new year, informed by the progress made in our discussions regarding various challenges and government discussions regarding the revision of the Strategic Energy Plan.

Energy policy continues to support the foundation of the lives of the people and economic activity as the basis of the country and needs to be informed by S+3E. Bringing together the experience and wisdom of all utilities in this Committee, we will make a concerted effort to work comprehensively on our own initiative to overcome these challenges and contribute to balancing prevention of global warming, and progress

and development of the Japanese society as a whole.

<About “Reflections on 2020 and resolutions for 2021”>

Now, I would like to talk about my reflections on 2020 and resolutions for 2021.

<Reflections on 2020>

This year, the spread of infection of the novel coronavirus brought sweeping change and left a large impact on the society at large. I want to express my deepest sympathies to those who were affected by an infection. As an electricity operator in an industry deemed essential and comprised of essential workers, we are proud to be able to say that we have been able to provide electricity stably as is our greatest mission by working on the prevention of infection and spread of infection with a strong sense of responsibility.

This was an important year for the electricity industry that will become a large turning point for the industry. In April, electricity system reform reached a milestone with the legal unbundling of the transmission and distribution divisions, and in June, the Act for Establishing Energy Supply Resilience for establishing a stable electricity supply system that is resilient and sustainable was passed. With Prime Minister Yoshihide Suga announcing his intention to achieve carbon neutral by 2050 in October, discussions on realizing a decarbonized society are gaining steam. The Rokkasho Reprocessing Plant and the MOX Fuel Fabrication Plant of Japan Nuclear Fuel Limited passed the New Regulatory Requirements conformance review, a sign of steady progress in establishing the nuclear fuel cycle, and literature surveys on the geological disposal of high-level radioactive waste have started in Suttsu-cho and Kamoenai-mura in Hokkaido.

<Resolutions for 2021>

2021 marks the 10th year since the Great East Japan Earthquake and the Fukushima Daiichi Nuclear Power Station accident. We deeply apologize for the immense inconvenience, worry and burden the accident still is causing people. With the strong

resolve that we can never let an accident like this happen again, we nuclear operators will continue improving the safety of nuclear power generation and will promote initiatives to solve challenges as an industry. We will be working to recover the trust of the society by explaining our efforts to the people of the siting region and broadly to the society, carefully, in detail, in an easy-to-understand manner.

The impact of the novel coronavirus will continue to be felt in the new year but we will continue to fulfill our responsibility to supply electricity stably. Concrete initiatives to achieve carbon neutral in 2050 and discussions to formulate the next Strategic Energy Plan will begin in earnest. With COP26 coming up in November, Japan's efforts to counter global warming will be attracting the world's attention in 2021.

I believe that to achieve carbon neutral, there needs to be large-scale reform, changing the society to a decarbonized structure, drastically and structurally changing how electricity is used and changing people's lifestyles in the industrial, transport, office and household sectors. As an electricity operator and energy supplier, we look forward to working on various challenges in achieving carbon neutral and contributing to the restructuring of the society.

With a strong sense of mission and responsibility as operators involved in the electricity industry, we will boldly take on new initiatives beyond the constraints of traditional thinking and keep up with the changes in time.

<In closing>

Last but not least, I want to thank the Energy Press Club and the media for their continued support throughout the year.

I would like to ask for your continued support in 2021.

This will conclude my segment today.

END