

Summary of Press Conference Comments Made by Kazuhiro Ikebe, FEPC  
Chairman, on June 17, 2022

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

Today, I would like to talk about electricity demand and supply in FY2022 and our request to the public to conserve electricity, and electricity industry efforts to restart nuclear power.

<On the demand and supply of electricity in FY2022 and our request to the public to cooperate in conserving electricity>

First, I'd like to talk about demand and supply of electricity in FY2022 and our request to the public to cooperate in conserving electricity.

As indicated in the ministerial conference held on June 7, projections show that electricity demand and supply will be extremely tight this summer, barely clearing the 3% reserve margin in 8 areas across Japan. In the winter, the market will be the tightest it has been since the Great East Japan Earthquake with the reserve margin projected to dip below 3% in 7 areas from Tokyo to Kyushu and falling into the negatives in the Tokyo area in January and February. Yesterday, the Minister of Economy, Trade and Industry Koichi Hagiuda requested that we as operators do our utmost to secure the stable supply of electricity.

A negative reserve margin, put plainly, means that we will not have enough electricity. Please note that even this scenario assumes we will be able to continue to receive liquified natural gas from Russia. If supply from Sakhalin II were to come to a halt due to the conflict in Ukraine, the shortage of electricity will become even more severe. Summer is just around the corner and we only have 6 more months to winter. We see this as a serious crisis that needs to be

tackled from the supply and demand fronts.

As part of the FY2022 electricity demand and supply control measures put together by the national government, additional measures to increase supply for the summer have already been implemented on the supply side, including having general transmission and distribution operators publicly seek additional supply capacity (kW and kWh) as a form of societal insurance in preparation for unanticipated situations. We also will need to do our utmost to secure fuel for thermal power generation and conduct maintenance on facilities. On the demand side, implementation of energy conservation measures in cooperation with the industrial sector and local governments and the building of a structure to implement such measures, expansion of demand response, sophistication of systems to issue national government requests to the public to conserve energy in the form of alarms and warnings that signal tightening demand and supply, preparations to smoothly enact power saving edicts and planned outages as a safety net are being discussed. We will cooperate with the national government, the Organization for Cross-regional Coordination of Transmission Operators and general transmission and distribution operators in implementing these demand side measures. We ask the public to stay safe but to conserve energy as much as possible.

There are many ways to use energy efficiently with no down sides, by everyone regardless of the season. One way that can be immediately implemented in households is for family to spend time together in the same room for “cool sharing” in the summer and “warm sharing” in the winter. To increase efficiency in the long-term, households can update home appliances to more efficient energy-saving ones, increase the thermal insulation of homes, and make homes more airtight. These measures can make you feel cooler in the summer and warmer in the winter while also reducing energy costs.

The efficient use of energy can be a society-wide effort. We will continue to disseminate information to encourage the efficient use of energy, and ask the media to call out to the public to use energy efficiently.

In addition to these short-term measures, the Japanese government has also set out structural measures where it will urgently develop systems to maintain and utilize power plants and increase new investment in the space to maintain and expand future supply capacity. We believe the development of concrete mechanisms to realize an attractive power generation business environment is crucial to secure stable supply in the mid-to-long term and needs to be urgently discussed by the national government, and as electricity operators, will cooperate in such discussions.

<Electricity industry efforts to restart nuclear power>

Next, I'd like to talk about the Restart Acceleration Taskforce established in the FEPC as part of industry efforts to restart nuclear power plants.

Last month, we explained the growing importance of nuclear power generation amidst the tightening of electricity supply and demand and global surges in fossil fuel prices. The interim summary of the Clean Energy Strategy published by the national government clearly states that the "restart of nuclear power stations will be promoted with the understanding of the siting regions and with safety as a premise to achieve the target nuclear power ratio in the 2030 energy mix". However, restart efforts need to be accelerated as, at present, only 17 plants have received permission to restart in the Nuclear Regulation Authority (NRA) review of which 10 have actually been restarted.

Since the start of the reviews based on the new regulatory requirements, we have been sharing review information and personnel among operators and working to accelerate reviews in order to restart plants as quickly as possible. In

February 2021, the FEPC established the Restart Acceleration Taskforce to implement industry-wide efforts to further accelerate plant restart. Today, I will introduce some of the initiatives the Taskforce has been working on.

The Restart Acceleration Taskforce is tasked with supporting all operations needed for restart from sharing technical information about conformance review, preparing for pre-service operator inspections, to increasing the skill levels of operators and maintenance personnel. Mainly, it does the following:

- ① Build and implement an agile, industry-wide personnel support system
- ② Share the latest review information to accelerate the reviews of following plants
- ③ Provide technical support for restart preparation

With the first item, “build and implement a flexible, industry-wide personnel support system”, the Taskforce has created a mechanism to flexibly provide personnel support as an industry to tackle various review challenges. In the past, the industry has provided support in reviewing processes to improve the quality of documents at Unit 2 of the Japan Atomic Power Company’s Tsuruga Power Station to quickly restart reviews after it had been interrupted due to issues with documents being rewritten. In the review of Hokkaido Electric Power Company’s Tomari Nuclear Power Station Unit 3, operators that own plants that have already passed the review have reviewed documents for the fire impact assessment, identified as one of the remaining points in question by the NRA in March of this year, and are cooperating in exhaustively examining successfully completed reviews to extract other points that could come up in the Tomari Power Station review. The Taskforce will continue to flexibly cooperate in these concrete ways.

For the second item, “share the latest review information”, the Taskforce has compiled the most recent review documents, which include applications from operators that have already passed the review and review meeting records, into

a data package to streamline the creation of review documents. Due to COVID-19, operators had also been having trouble sitting in on the NRA hearings for other operators. In response, the Taskforce has built and started implementing a mechanism that allows other operators to listen in to other operators' hearings starting with the Chugoku Electric Power's Shimane Nuclear Power Station Unit 2 plant design and construction plan approval hearing.

As part of the third item, "provide technical support for restart preparation," the Taskforce held an Restart Preparation Meeting where JANSI and Kansai Electric Power, which has successfully restarted multiple plants, shared the knowledge and lessons learned in restart with operators who are currently looking to restart their plants, to ensure that plants that have been in long-term shutdown are fully prepared for startup. Around 500 people who work on the ground including Station Directors from across Japan attended the meeting to deepen their understanding of the assigned work and increase awareness of the importance of their work.

We will do our utmost to restart nuclear power plants as quickly as possible through these initiatives.

In resource-poor Japan, renewables such as solar power and wind power must be utilized to their fullest extent. But nuclear power also plays an extremely important role in light of S+3E, or energy security, economic efficiency, and achieving carbon neutrality in 2050. We want to utilize existing nuclear power plants as much as possible putting safety first and premised upon the understanding of the siting region and broader society through close communication.

This concludes my remarks for today.

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